

26th July, 2019

**The Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400 001**

**The Secretary
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051**

Sub: Submission of Annual Report and Notice of 51st Annual General Meeting of the Company, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

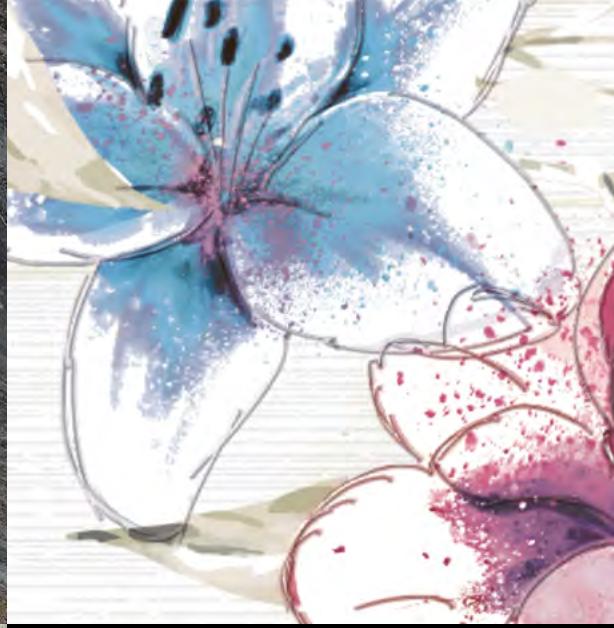
Please find enclosed herewith the Annual Report and Notice convening the 51st Annual General Meeting of the Company to be held on Monday, the 19th August, 2019 at 11:30 a.m. at Sripati Singhania Hall, Rotary Sadan, 94/2, Chowinghee Road, Kolkata-700 020.

Thanking you,

Yours faithfully,
For Somany Ceramics Limited

**Ambriish Julka
GM (Legal) & Company Secretary
M. No.: F4484**

Encl: as above



LUXURY LIVING BY SOMANY



Annual Report
2018-19

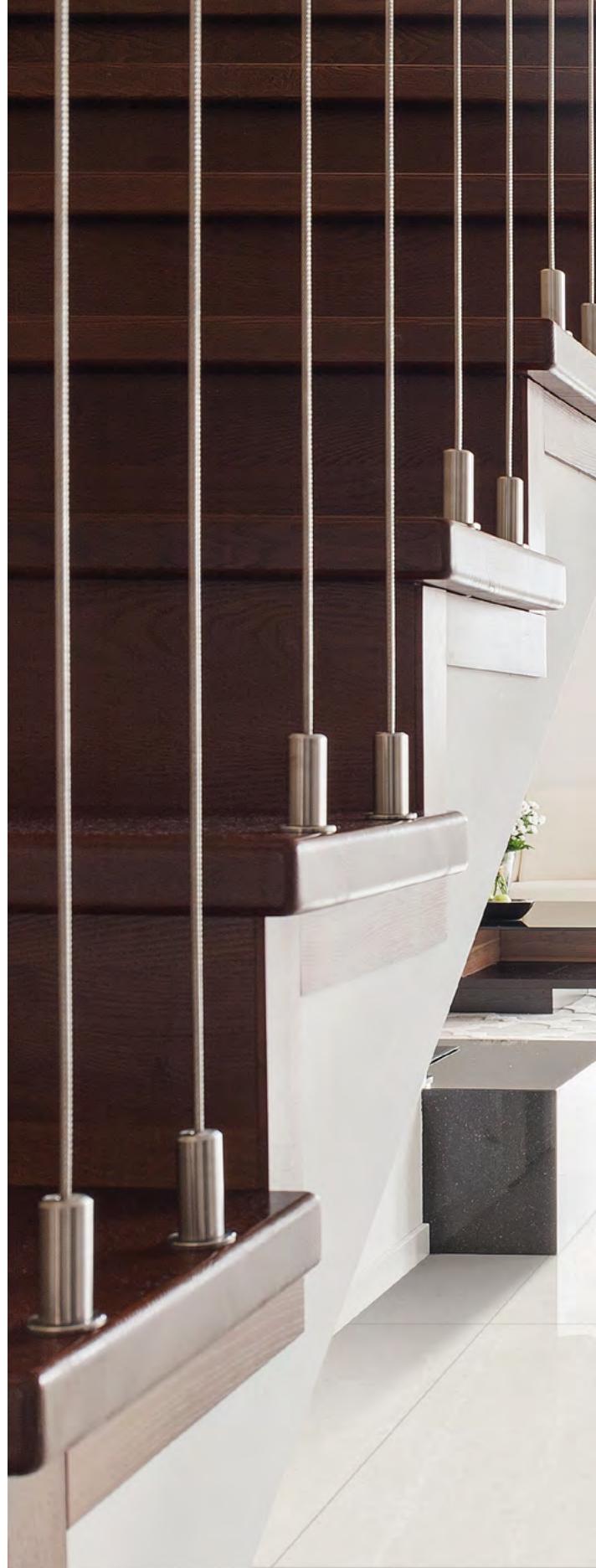
SOMANY CERAMICS LIMITED

Forward-looking Statement

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks/uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include input costs and/or its availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

CONTENTS

6 things you need to know about Somany Ceramics	02
Financial highlights	04
Chairman's overview	06
Operational review	08
Integrated value-creation report	14
Branding review	22
Sales and distribution review	24
Design review	26
Human resources	28
Segment review	30
Social engagement	36
Management discussion & analysis	37
Directors' report	46
Business responsibility report	54
Corporate governance report	86
Standalone financial statements	102
Consolidated financial statements	160



Luxury living by Somany

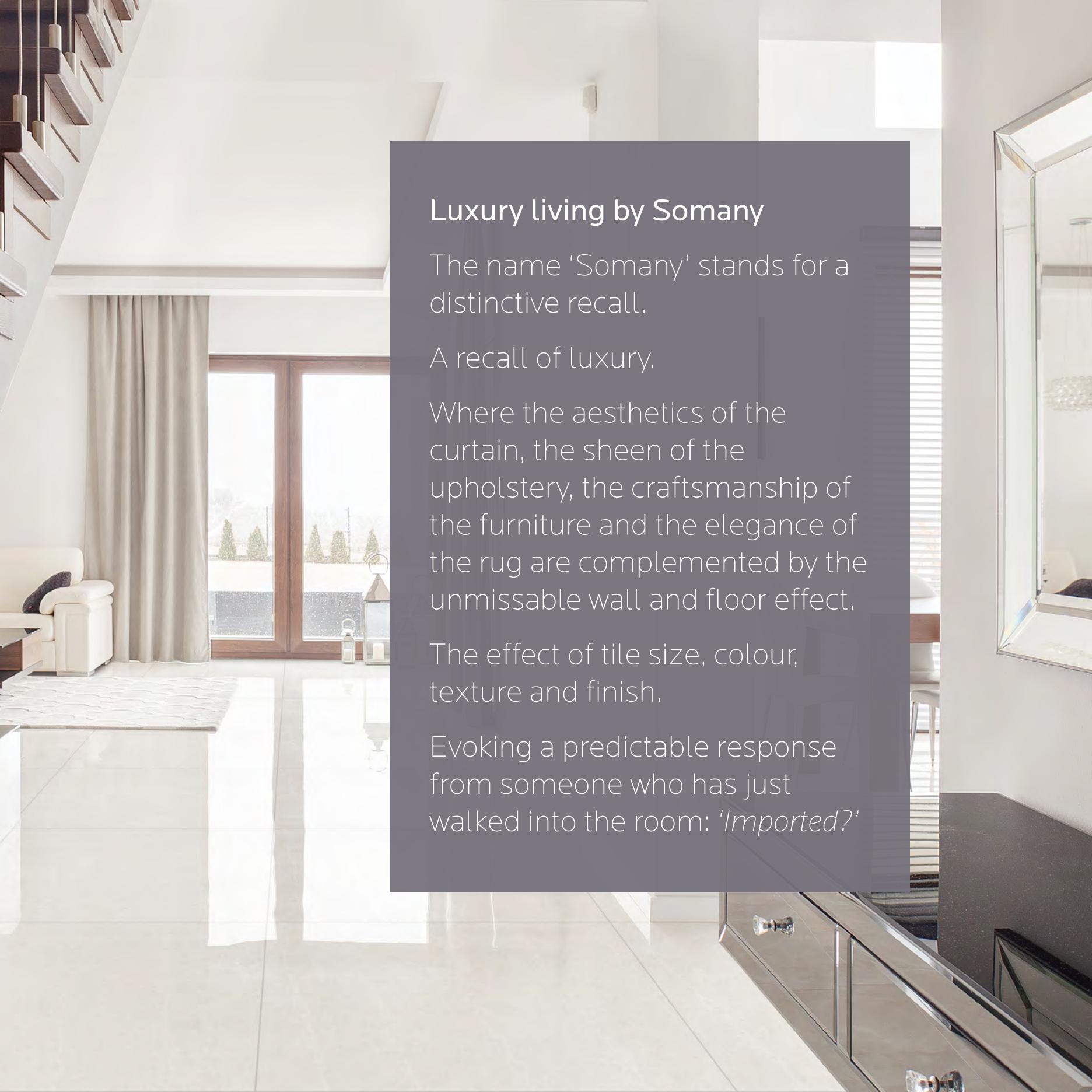
The name 'Somany' stands for a distinctive recall.

A recall of luxury.

Where the aesthetics of the curtain, the sheen of the upholstery, the craftsmanship of the furniture and the elegance of the rug are complemented by the unmissable wall and floor effect.

The effect of tile size, colour, texture and finish.

Evoking a predictable response from someone who has just walked into the room: '*Imported?*'



6 things you need to know about Somany Ceramics

1. Ethos

Vision: Becoming the most sought-after tile and allied products manufacturer in India and be the best employer in the tile industry.

Mission: Achieving customer delight through business innovation and cost-effectiveness while pursuing latest fashion trends in ceramics and allied products for creating stakeholder value.



2. Legacy

Over the past five decades, Somany has emerged as the second largest Indian company specialising in the manufacture and marketing of tiles, sanitaryware, bath fittings and allied products.

3. Portfolio

The Company offers a wide range of products, which includes ceramic wall and floor tiles, polished vitrified tiles, glazed vitrified tiles, sanitaryware and bath fittings. The Company also offers tile-laying solutions.

4. Scale

Somany has nine state-of-the-art manufacturing facilities across the country, providing an annual tiles manufacturing capacity of ~52 million square meters, sanitaryware capacity of ~1.15 million pieces per annum and bath fittings capacity of 0.65 million pieces per annum. The capacity of the bath fittings plant is estimated to increase 3x in two phases by 2020.

5. Footprint

Somany enjoys a widening pan-India presence, with an organised tile market share of ~13%. Over

the years, the Company strengthened its market presence through the presence ~10,000 touch points, which included more than 1,800 active dealers and more than 300 showrooms/display centres.

6. Listing

Somany Ceramics is listed on BSE Limited and National Stock Exchange of India Limited. The Company's market capitalisation increased from ₹1,54,913 Lakhs as on 31st March 2015 to ₹1,78,714 Lakhs as on 31st March 2019.



The Company's market capitalisation increased from ₹1,54,913 Lakhs as on 31st March 2015 to ₹1,78,714 Lakhs as on 31st March 2019.

Key financial highlights



Revenues (₹ Lakhs)

FY17	1,72,781
FY18	1,70,821
FY19	1,70,833

Definition

Sales net of taxes.

Why is this measured?

It highlights the product and service acceptance coupled with a widening reach of the Company.

Performance

The Company sustained revenues for the year at ₹1,70,833 Lakhs in a challenging market.

Value impact

Creates a robust growth engine on which to build profits.

Profit after tax (₹ Lakhs)

FY17	9,816
FY18	7,044
FY19	4,634

Definition

Profit earned during the year after deducting all expenses and provisions.

Why is this measured?

It highlights the strength of the business model in generating value for shareholders.

Performance

The Company reported a profit after tax of ₹4,634 Lakhs during the year under review.

Value impact

Ensures that adequate cash is available for reinvestment, allowing the Company's growth engine to sustain.

EBITDA (₹ Lakhs)

FY17	25,084
FY18	20,396
FY19	18,253

Definition

Earnings before the deduction of certain fixed expenses or provisions (interest, depreciation, extraordinary items and tax).

Why is this measured?

It is an index that showcases the Company's ability to optimise operating costs despite inflation that can be easily compared with the averages of sectoral peers.

Performance

The Company's EBITDA in 2018-19 stood at ₹18,253 Lakhs.

Value impact

Helps create a robust growth engine that allows the Company to build profits in a sustainable manner.



Earnings per share (₹)

FY17		23.16
FY18		16.62
FY19		10.93

Definition

It is the portion of a company's profit allocated to each outstanding share of common stock.

Why is this measured?

This figure depicts the actual value the Company has created for shareholders.

Performance

The Company's EPS for 2018-19 stood at ₹10.93.

Value impact

Adds value in the hands of shareholders through enhanced earnings per share.

EBITDA margin (%)

FY17		14.5
FY18		11.9
FY19		10.7

Definition

EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency.

Why is this measured?

The EBITDA margin provides an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sale.

Performance

The Company reported an EBITDA margin of 10.7% during the year under review.

Value impact

Demonstrates adequate buffer in the business, which, when multiplied by scale, enhances surpluses.

RoCE (%)

FY17		20.6
FY18		13.4
FY19		10.7

Definition

It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

Why is this measured?

RoCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

Performance

A showcase of prudently investing every rupee in profitable spaces that generate higher returns for shareholders.

Value impact

Enhanced RoCE can potentially drive valuations and perception (on listing).

Debt-equity ratio (x)

FY17		0.95
FY18		0.93
FY19		0.93

Definition

This is derived through the ratio of debt to net worth (less revaluation reserves).

Why is this measured?

A measure of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers.

Performance

The Company successfully sustained a gearing of 0.93 during the year under review.

Value impact

Enhanced shareholder value by keeping the equity side constant; enhanced flexibility in progressively moderating debt costs.



Chairman's overview

Why Somany is focusing on 'Luxury living'

Shreekant Somany
Chairman & Managing Director

'Why are we building a company focused on luxury living?'

This is a question that I have often been asked.

The question is well-meaning. People insist that India is a mass market still in the early stage of its consumption cycle. There is an argument that in this cycle a number of people will need to consume and only after an extended period will they graduate their preferences. By this inference, they believe that we are far too ahead of the curve and it would be prudent to allocate our resources effectively across other segments of our product pyramid.

The misunderstanding lies in the selection of the word 'luxury'. A number of people mistakenly believe that 'luxury' means expensive. It does not. 'Luxury' indicates the higher end of that range of products that an individual's spending capacity empowers her / him to buy. The implication is evident: the word does not indicate the apex of the country's consumption pyramid; it only refers to the luxury end of that consumption or economic segment. By this definition, there are a number of luxury segments addressed by a responsible and mature company (Somany included).

Why will this luxury trend grow as a direction and movement?

The answer to this lies in the income-earning capacity of Indians. Even as we are the sixth largest economy in the world by the virtue of being the second most populous country, the per capita income of the Indian is 145th in the global hierarchy of incomes. If this should sound depressing, let us turn to one of the most important drivers of my optimism: the increase in per capita incomes trebled across the last decade indicates that we are passing through one of the most economically productive phases in our existence.

When you extend this change to the sheer increase in the quantum of Indian earners and spenders, you get a reality that should make any marketing company turn its attention to the country: this represents one of the largest movements of individuals from the lower income group into the country's middle-class and thereafter a sharp increase in the number of high net worth individuals, anywhere in the world.

So what are these increasingly prosperous Indians spending more on?

To my understanding, Indians are spending

more on experiences – and will continue to do so across the foreseeable future. The biggest experience that Indians are likely to spend on is going to be their homes. India will seek to earn more and live better simply because of a fundamental optimism that their futures are expected to be considerably better. Why Indians will continue to feel this way comes from the convergence of realities – increase in FDI, government reforms, unprecedented investments in national infrastructure, and customers becoming more demanding not only on vendors but also on themselves. These consumers seek a better quality of life and are willing to spend more to access it.

What is that one unmistakable number that points to the India's need for superior lifestyle quality?

The answer to this comes down to just one word: debt.

India is an extensively under-borrowed nation – India's debt to GDP ratio in 2017 was pegged at 54.5% compared to 247% in China for the same period. However, this reality is beginning to change as Indians are becoming less averse to borrow. The result is that more Indians are

We believe that when the market steps out of the trough of 2018-19, the rebound will be sharp and enduring. When this transpires, we expect to have the largest manufacturing capacity in our existence.

engaged in large-ticket consumption – in homes and interiors. Given the extent of under-penetration in India, it would be reasonable to believe that there are years of responsible mortgage in the pipeline before India's indebtedness becomes a matter of concern. What this means for companies like ours is that the more debt is assumed, the greater the investment in vanity and superior lifestyles (including a higher spending in tiles and bathware).

There are a number of factors that provide me with the optimism that India is sitting at the bottom-end of a long J-curve. The cost of home decor as a percentage of home ownership lies in the modest single-digits. Besides, from a supply side, luxury product categories are widening, the products under each category are increasing, the grades within each products are deepening, the price difference between each product grade is narrowing – the emergence of product breadth and depth. The result is that the consumer gets a wide choice of luxury products to buy into –



purchased directly or financed by the country's non-banking finance sector.

Has the consumption engine stepped up?

My answer is yes. The evidence is everywhere: the proportion of revenues derived from non-metro cities is rising; dealers with one showroom for years have widened their presence to multiple showrooms in the last decade; the surprise is that places you would not have been able to locate on the map are now figuring on the spread sheets of our sales executives with increasing frequency.

How does Somany expect to capitalise on this accelerating trend?

At Somany, our strategy is simple: Move ahead of the curve. If we are to succeed in this market, we will need to be future-promised across our business because the moment demand revives, the payback derived from a proactive presence will be considerably higher than the cost of investment.

At Somany, we invested in a number of future-touching initiatives.

For a company that focused on North and West India for more than five decades,

we commissioned our first South Indian manufacturing facility during the last financial year.

For a company that addressed the broadest market segment for decades, we are now focusing at the luxury end.

For a company that was debt-heavy and equity-conservative, we are deleveraging our Balance Sheet.

Where will this take Somany?

We believe that when the market steps out of the trough of 2018-19, the rebound will be sharp and enduring. When this transpires, we expect to have the largest manufacturing capacity in our existence, combined with the largest percentage of value-addition and the lowest cost in our existence derived out of superior technologies. We are optimistic that this component will translate into an attractive volume-value proposition that enhances organisational momentum across a multi-year cycle and enriches all those associated with our Company.

Shreekant Somany

Chairman & Managing Director

Strategic direction

“We made a sizable investment and are convinced that our increased visibility and recall will translate into superior offtake in 2019-20”



Abhishek Somany
Managing Director,
provides a perspective of where
the Company is headed



There are some key messages that I wish to communicate in my strategic overview.

Different Somany

One, what shareholders are now seeing is a different Somany, a Somany that is bold and willing to do its business differently from the way it did in the past.

During the year under review, the Company could have reported attractively higher revenues derived out of sales that would have been thrust down into our trade channels with the incentive of longer credit. Our trade partners would have been under pressure to push sales into a sluggish market and thereafter spend a considerable time in recovering the proceeds, some of which would never come. We believe that such an approach would prove counter-productive. One year of fiscal indiscipline arising out of stretched receivables would have taken us three years to correct, affecting the quality of our Balance Sheet.

At Somany, we stick our neck out for what we believe in. The new Somany would prefer to lose

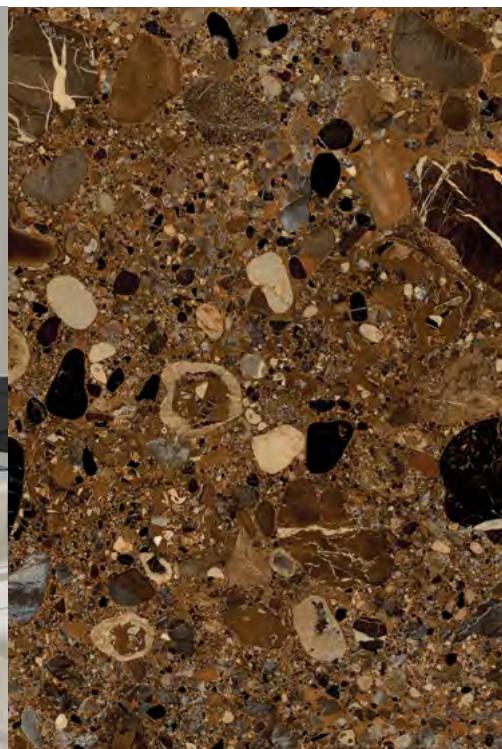
a sale than make a bad one. The result is that there were a number of times during the course of the year when we walked away from business that would have looked good in the short-term but compromised the health of our business in the long-run. Besides, the Company extended beyond a conventional focus on cash profits to a deeper focus on cash flows. Profitability on paper became secondary to liquidity in hand. The evidence of this commitment is reflected in our receivables numbers: our average debtors' cycle declined from a peak of 106 days in 2017-18 to 89 days in 2018-19. Within this number lies an even bigger achievement: the proportion of receivables that ranged from 60 to 90 days (generally considered sticky and suspect) declined sharply, indicating our commitment to a credible Balance Sheet. By the close of the financial year under review, the major part of our receivables were relatively short tenure in nature, secure, based on the sales made to multi-year and multi-decade trade partners and a part of a larger rolling debt arrangement.

The other number that I would like our shareholders to appreciate is the quantum

that we continued to invest in our brand. As the markets slowed in the second half of the last financial year, it would have been usual for companies to slash their brand-building budget. Somany went against the prevailing practice because we believed that at a time when most players would be willing to vacate their share of the consumer's mind, there would be an attractive opportunity to carve out an effective presence. The new Somany selected to invest in business sustainability over short-term profitability. We made a sizable investment and are convinced that our increased visibility and recall will translate into superior offtake when the market improves across a larger quantum of products.

Distribution network

The second point that I intend to communicate is that we are relentlessly working to increase our footprint. We continued to invest in our distribution network. The penetration of our dealership network deeper in B and C class Indian towns is our prime focus, not only growing our prospects but also generating the highest revenue contribution. We continued to refurbish our showrooms and we believe that consumers will soon see a superior positioning as a sign of a confident company proactively investing for the future. Our brand spending would continue to be at a similar level with the objective to garner a higher shelf-space, larger visibility and enhanced recall.





Manufacturing investments

The third point is our manufacturing capacity. During the year under review, we sustained our commitment by investing ₹10,000 Lakhs in a greenfield plant in South India. This plant will give us a strategic advantage in terms of a geographically gateway to the southern market by shrinking product delivery tenures to customers and save logistics costs that could enable us to provide the customer with a superior price-value proposition – a competitive advantage.

Superior technologies

The fourth point refers to our commitment to invest in superior technologies. We consummated this commitment by replacing existing production lines with modern equivalents that translated into higher operating efficiency on the one hand and a superior product mix that we believe will help us generate value-added realisations. The result of this commitment is that the average age of our manufacturing facilities and equipment are

much lower when compared to the sectoral average. We are optimistic that the complement of a change in our product mix towards the luxury end, coupled with the commissioning of our new plant (comprising premium vitrified tiles), should strengthen our revenues derived from every rupee of invested assets along with our margins.

Growing Bathware revenues

The fifth point that shareholders would do well to appreciate is that we possess a stronger complement of products than ever. The new Somany is not just a tiles company; it is an interior solutions company. This new Somany is responding to a growing consumer pride manifested in the willingness to make increased one-time investments in a superior tile or bathware quality than invest in something that needs to be scrapped a couple of years down the line. The complement of non-tile products accounted for 9% of revenues in 2017-18, rising to 11% in 2018-19; the proportion of profits derived from non-tile products increased

WE BELIEVE THAT THE COMPLEMENT OF VARIOUS INITIATIVES SHOULD TRANSLATE INTO A ROBUST VOLUME-VALUE PLAY FOR SOMANY STARTING 2019-20.



substantially as well. We backed our conviction that the complementary products represent the future: we expect to report an attractive increase in revenues and profits from this segment in 2019-20, strengthening our overall revenues, margins and surplus.

Sweating assets and working capital management

The sixth point is that we expect to sweat our plants more aggressively in 2019-20. While we will continue to push our proprietary plants to produce more and hence make it possible to amortise our fixed costs more effectively, we will enable our joint venture partners to focus completely on generating a higher throughput. The more we produce of the kind of products that are more remunerative, the greater the possibility of our reporting numbers of a better quality.

Management bandwidth

The seventh point is often the most under-recognised. During the year under review, we

strengthened our management bandwidth. We plugged senior positions to balance our management structure, strengthen controls and drive our next round of growth starting 2019-20.

By investing as extensively as we did during a challenging 2018-19, we believe that we are attractively placed to substantially outperform sectoral growth from this point onwards. During a similarly challenging downtrend in 2009-10, when much of the country's tile sector preferred to wait and watch, Somany had invested in its future, convinced that the consumption cycle would soon turn. The Company's strategy was validated and the Company grew faster than in the past, climbing into a new league.

Outlook

So what kind of a performance can shareholders expect from Somany in 2019-20?

The commissioning of our new South India plant and modernisation of a parking tile line should translate into higher revenues and a larger proportion of value-added tiles. We

Why we are optimistic of our prospects

Large national consumption base



Larger number of completed homes delivered for occupation



Moderate national inflation; higher savings



Government schemes catalysing affordable housing

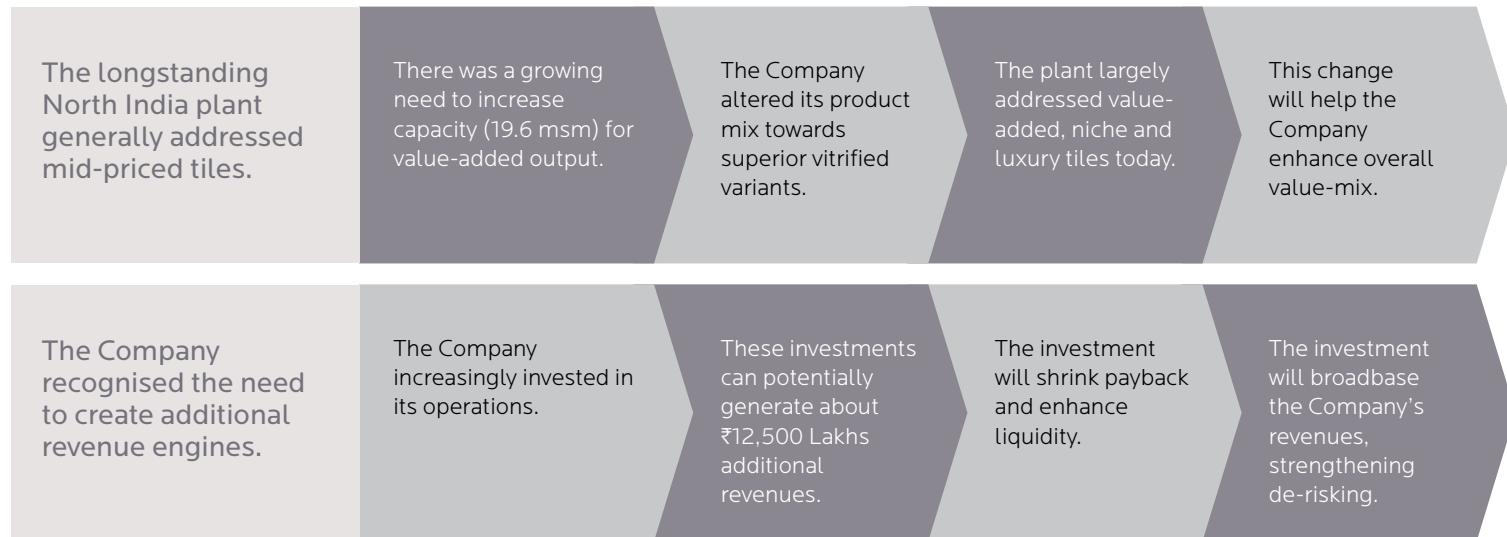
expect to see a higher percentage growth in our bathware segment on a larger revenue base. We believe the market for wall tiles has bottomed out in terms of realisations; with no major fresh sectoral capacity coming across in the next 24 months, realisations could improve.

We expect to tighten our receivables cycle further, shrinking the absolute quantum of outstandings, making it possible for us to grow and fund our business without recourse to additional debt. The major part of our spending is likely to be made in strengthening our intangibles – brand and distribution networks.

We believe that the complement of these initiatives should translate into a robust volume-value play at our Company starting 2019-20.

How a responsive Somany has transformed its personality





Financial highlights (in ₹ Lakhs)

(Based on consolidated financials)

Particulars	2016-17	2017-18	2018-19
Net Sales	1,72,781	1,70,821	1,70,833
EBITDA	25,084	20,396	18,253
Finance costs	3,897	3,992	4,592
EBDT	21,187	16,404	13,661
Depreciation	3128	4,128	4,425
PBT	18,059	12,276	9,236
PAT	9,816	7,044	4,634
Share Capital	848	848	848
Reserves & Surplus	51,569	57,220	60,453
Deferred Tax Liability	4,739	5,236	5,315
Loan funds#	49,699	53,964	57,312
Gross Block (including CWIP)	61,157	73,321	83,300
Net Block (including CWIP)	57,926	67,169	73,470
Current assets	84,066	94,832	89,964
Current Liabilities##	26,076	34,057	28,921
Net Current Assets	57,990	60,775	61,043
Net worth	52,417	58,068	61,301
Capital Employed	1,15,199	1,26,859	1,32,600
EPS (₹)*	23.16	16.62	10.93
Book value (₹)*	123.69	137.02	144.65
Dividend (₹)*	2.70	2.70	2.00
RoNW (%)	20.32	12.75	7.76
RoCE (%)	20.56	13.44	10.66
Debt Equity (times)	0.95	0.93	0.93

including current maturities of loans

excluding current maturities of loans

* Face Value of ₹2/- per share

Our integrated value-creation report

There is a growing importance of the Integrated Value-Creation Report as a means to deliver superior value proposition to our investors.

This Integrated Value-Creation Report overcomes the shortcomings of the conventional appraisal approach through a comprehensive framework that reconciles 'hard' and 'soft' initiatives into an integrated format.

Integrated reporting combines different reporting strands (financial, management commentary, governance and remuneration, and sustainability reporting) into a holistic whole that explains an organisation's ability to create, enhance and sustain value.

The purpose of integrated reporting is to explain to providers of financial capital how an organisation enhances value over time. The impact of the integrated report extends beyond financial stakeholders; it enhances an understanding across all stakeholders - employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers - focused on

an organisation's ability to enhance value across time.

Integrated Reporting highlights how green and ethical values drive long-term growth. This shift from the 'hard' to 'soft' (non-financial data) helps screen a company more comprehensively, addressing the needs of the investor fraternity/government agencies.

At Somany Ceramics, our objective is to enhance value in the hands of those who own shares in our Company through revenue growth, cost moderation, enhanced product quality, widening and deepening distribution, branding effectiveness, profit distribution (through dividends) and governance-driven confidence.

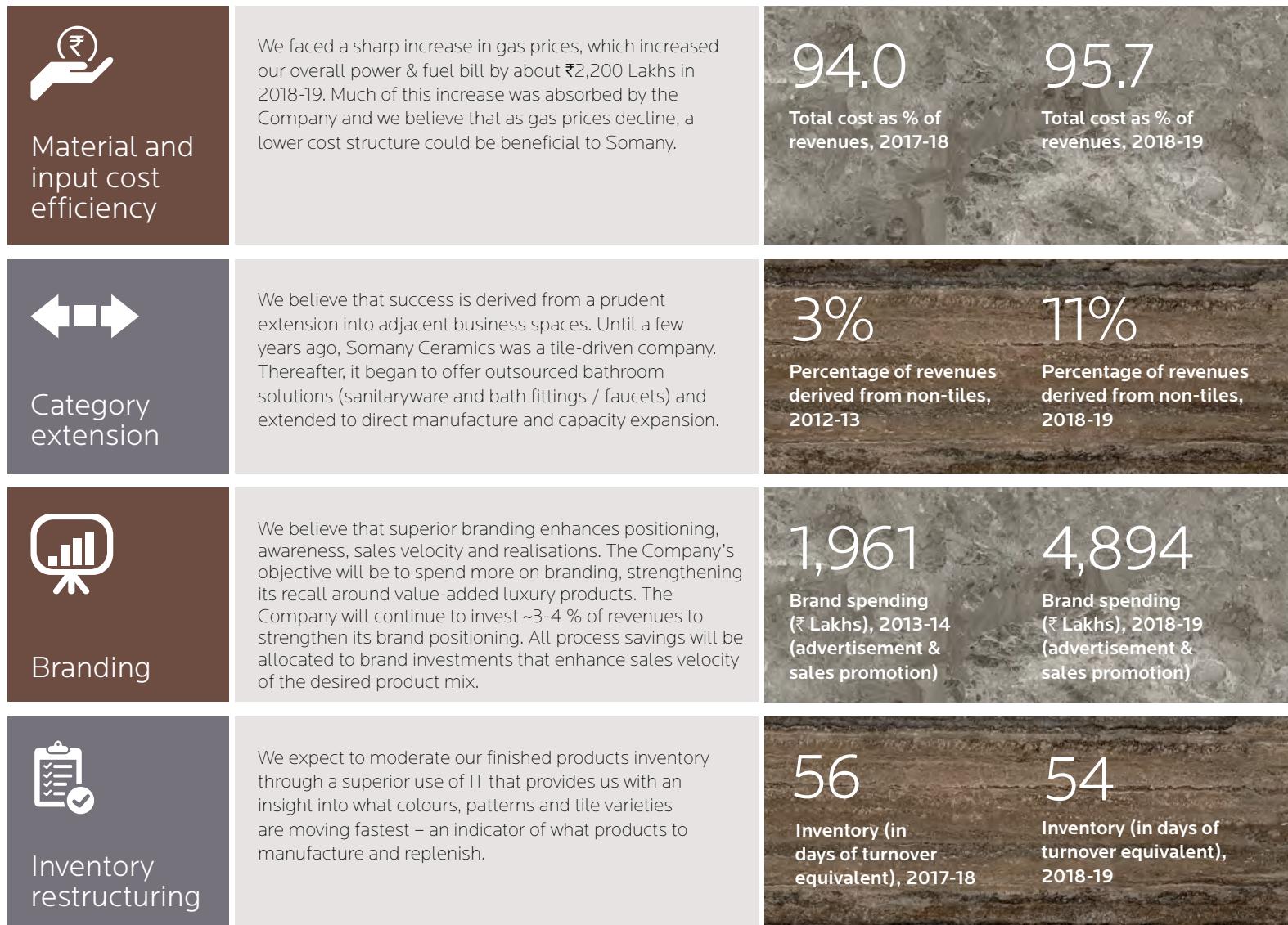


Sectoral context

Disposable income	Rising per-capita income in real terms (at 2011-12 prices) during 2018-19 was estimated at ₹91,921 compared to ₹86,668 in the previous fiscal, sustaining the national consumption engine.
Real estate boom	In the last few years, the Central Government introduced reforms (RERA, GST, Insolvency and Bankruptcy Code and adoption of REITs, among others) to create a healthy business ecosystem marked by transparency, accountability and quality assurance. Real estate sector growth is projected at US\$ 650 billion by 2025 and US\$ 850 billion by 2028. As a by-product of this growth, the sector's contribution of 6-7% to India's GDP is anticipated to almost double by 2025. This growth could potentially strengthen the demand for tiles, sanitaryware and bath fittings.
Increasing urbanisation	India accounts for the second largest urban community after China. By 2019-20, 35% of India's population could be living in urban centres and by 2050, half of India's total population could be living in urban areas, widening the market for tiles, sanitaryware and bath fittings.
Aspirations	India is transforming faster than ever, influenced by social media, growing home pride and the proportion of tile/non-tile spending now becoming a nominal part of the overall cost of an apartment or office.
Simulated software	The use of CAD and CAM software is making it possible for prospective buyers to 'see' how their interiors will look once they have invested in specific tile designs, catalysing offtake.
Value-addition	The consumption pattern of Indians seeking to buy at the cheapest price has yielded to a new India that is less price-sensitive and seeking higher products around a compelling price-value proposition.
Demo-graphics	The world is getting younger – not only in age in a number of countries but also in mindset, opening age groups to a wider range of interior products, colours, finishes and sizes.
Easier to buy	It has become far easier to buy interior products today than ever – with the click of a button after having screened hundreds of product options coupled with a products return assurance .

Strategic priorities

 <p>Profitable growth</p>	<p>At Somany Ceramics, we intend to report consistent profitable growth (higher percentage increase in the Company's profit-tax profit than the percentage increase in top line) through plant modernisation, increased value-added product mix and extension into complementary products (sanitaryware and bath fittings), among other initiatives.</p>	<p>3</p> <p>Number of years the Company reported profitable growth in the last five years</p>
 <p>Balance Sheet size</p>	<p>We believe that outperforming companies are generally those that maintain their revenue and profit growth on the one hand and graduate their Balance Sheet towards asset-lightness.</p>	<p>1,26,859 1,32,600</p> <p>Total capital employed (₹ Lakhs), 2017-18 Total capital employed (₹ Lakhs), 2018-19</p>
 <p>Topline growth</p>	<p>We believe that sustained topline increase will empower our business to amortise fixed costs effectively with successive revenue growth translating into superior margins. The Company expects to accelerate topline growth across various product segments.</p>	<p>1,70,821 1,70,833</p> <p>Topline (₹ Lakhs), 2017-18 Topline (₹ Lakhs), 2018-19</p>
 <p>Working capital efficiency</p>	<p>We are focused on strengthening our terms of trade (increase the creditors' tenure, shrink receivables cycle and moderate inventories). Receivables declined during the year under review, strengthening working capital efficiency. The reduction of every 30 days of receivables is expected to enhance liquidity by ₹15,000 Lakhs.</p>	<p>106 89</p> <p>Receivables (days of turnover equivalent), 2017-18 Receivables (days of turnover equivalent), 2018-19</p>



Our strategy

STRATEGIC FOCUS	INNOVATE AND EXCEL	COST LEADERSHIP	SUPPLIER OF CHOICE	ROBUST PEOPLE PRACTICES	RESPONSIBLE CORPORATE CITIZENSHIP	VALUE-CREATION
						
Key enablers	Nurturing a culture of process innovation and product excellence, reflected in the huge archive of designs the Company maintains for its tiles. Owing to the use of cutting-edge technology the Company has been able to eliminate the redundant workflows and automate them, reducing costs and improving process efficiency.	Driving a focus on operational excellence and cost leadership, Somany moderated its operational costs by automating processes and using modern technology to replace old processes.	Somany emerged as a supplier of choice because of its quality-driven approach. The Company positioned itself as a one-stop luxury solutions provider of home interior products with a diversified range of products and services.	Somany is an employer of more than 3000 people (full-time and contractual) across the country. The Company strives to achieve the highest levels of people engagement aided by different initiatives the Company has been undertaking over the years. The result is that Somany's invigorating workplace is marked by training, engagement, appraisal transparency, attractive reward and outperformance.	Somany is a responsible corporate citizen engaged in various community development activities in healthcare, skill development, education, infrastructure development and women empowerment.. Somany invested ~₹217 Lakhs in CSR activities in 2018-19.	Somany enhances value through the manufacture of different grades of tiles. The Company expects to posses the largest capacity in existence, combined with the largest percentage of value-addition and the lowest cost derived out of superior technologies.

The resources available with us to enhance value

Social and relationship capital

Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.

Financial capital

The financial resources that we seek are based on funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.

Natural capital

We depend on raw materials sourced from nature, indicating a moderate impact on the natural environment.

Manufactured capital

Our manufacturing assets, technologies and equipment for production constitute our manufactured capital. The logistics for the transfer of raw materials and finished products are integral to our manufacturing competence.

Human capital

Our management, employees and contract workers form a part of our workforce, the experience and competence enhancing value.

Intellectual capital

Our focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge account for our intellectual resources.

Value created

FINANCIAL CAPITAL

Turnover

₹1,70,833 Lakhs

Earnings per share

₹10.93

RoCE

10.7%

MANUFACTURING CAPITAL

Quantum of tiles produced

41.92 msm

Quantum of tiles sold

51.17 msm

HUMAN CAPITAL

Direct and indirect employees

3,210

Total remuneration, 2018-19

₹22,619 Lakhs

SOCIAL AND RELATIONSHIP CAPITAL

Number of customers (active dealers)

1,844

Value shared with



Investors

The Company enriched investors through dividends and capital appreciation.



Suppliers

The Company sourced ₹74,237 Lakhs of materials from suppliers.



Employees

The Company provided remuneration worth ₹22,619 Lakhs and provided stable employment.



Government and regulations

The Company paid ₹13,345 Lakhs to the exchequer.



Distributors and suppliers

The Company enhanced value for distributors and retailers through sustained resource offtake.





Branding review

At Somany Ceramics Limited, our objective is to increasingly associate our brand recall with one word – ‘luxury’. We increasingly invested in communication and products to enhance this recall, strengthening our overall value-addition.

Overview

Over the past few years, tiles have transformed from a commoditised to a luxury product.

Consumers no longer randomly select tiles for their homes; they study various brands, matches, applications, textures and finishes before making an informed choice.

Branding was earlier limited to sampling and merchandising with companies mostly printing brochures with product details that were then distributed across trade partners. The concept of brand has evolved considerably since, largely marked by the need to create a distinctive recall coupled with the enhanced availability of value-accretive products.

India's tile market comprises organised and unorganised segments with a greater premium on the need for organised players to create a



The Company organised routine engagements (with retailers and contractors) and branding campaigns to enhance brand and product awareness.

consumer pull. Over the years, Somany has invested in various communication media like television commercials, newspaper advertisements, trade magazines, social media and other channels to promote products. Besides, television commercials have proved to be effective in enhancing a pan-India recall.

The Company organised routine engagements (with retailers and contractors) and branding campaigns to enhance brand and product awareness.

Challenges and responses

A challenge that the Company faced was that while the need for a tile was infrequent and occasional, the Company was required to keep promoting its brand and product with no assurance of offtake. The Company mitigated this challenge through distinctive promotional



campaigns that associated deeper with a single attribute – luxury – and translated into superior recall and offtake whenever a consumer needed.

Highlights, 2018-19

- Launched two luxury products: A faucet (part of the French Collection) and a large tile (1,800x2,400 square metres).
- Added ~100 dealers to the distribution network.
- Broadcast television commercials to emphasise the luxury orientation of the product mix.
- Extended its branding channel by putting print ads on air-stairs of Indigo and SpiceJet.
- Revamped the website, increasing leads and average time spent on each page.
- Launched three experience centres in Noida, Bengaluru and Pune.
- Introduced bathware vans based on the

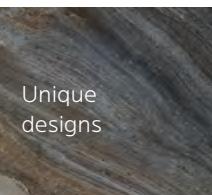


Strengths

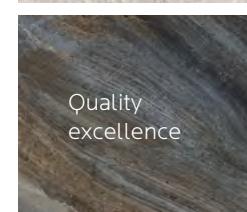
Distinctive association with the word 'luxury'



Proven R&D capabilities



Unique designs



Quality excellence



High product availability

concept of mobile studios.

Road ahead, 2019-20

- Launch a branding campaign targeting retail consumers.
- Undertake branding activities for products to be manufactured in the new plant.

Sales and distribution review

Somany invested in widening and deepening its presence across the vast Indian land mass to enhance consumer proximity and convenience.

Overview

The real estate sector encountered a challenging 2018-19 on account of a decline in consumer spending and lower credit expansion.

As a result, Indian tiles sector growth has been relatively slow during the fiscal under review.

Over the last few years, the Company invested in widening and deepening its presence across the vast Indian land mass. This was done with the objective that when consumers intended to buy, access to a Somany retail store would be proximate and convenient.

The Company has more than 300 showrooms in addition to 17 Experience centres, spread across major cities in the country to enhance product

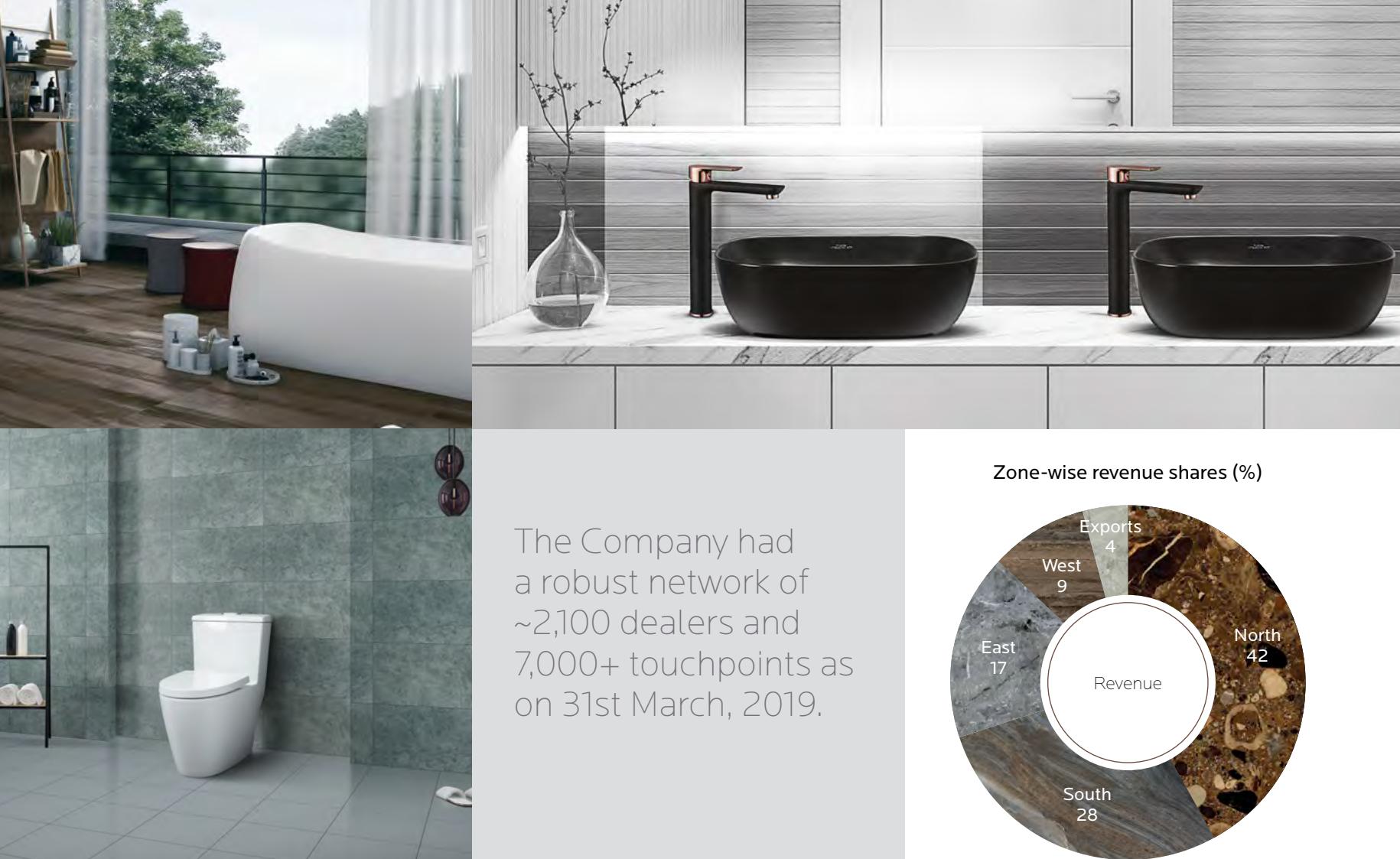


visibility. The Company increased the number of distributors to penetrate deeper and enhance average tile realisations benchmarked with the market leader.

The Company strengthened its distribution network through loyalty programmes. The Company launched the Titanium Club Group for dealers in addition to the existing Platinum Club and Gold Club. Based on the performance of its dealers, the Company took them (more than 200) on foreign trips, which enhanced loyalty and performance. Besides, the easy accessibility of the senior management strengthened dealer confidence and engagement, increasing sales throughput and revenue mix.

Strengths

- Average realisation per tile was higher than the industry average.
- Robust network of ~2,100 dealers and 6,000+ touchpoints (31st March 2019).
- Effective dealer loyalty programmes.
- Largest Indian archive of tile designs.
- Available in all sizes.
- Average product delivery time lower than the industry average.
- Engagement with 100 prominent Indian builders.



The Company had a robust network of ~2,100 dealers and 7,000+ touchpoints as on 31st March, 2019.

Zone-wise revenue shares (%)



Challenges

- The economic slowdown affected prospects of smaller dealers.
- The tile industry's average growth of low single digit in last two years compared weakly with the previous 12-14%.
- The unorganised sector continued to account for a major chunk of offtake (70%).

Responses

- Focused on branding and empowering the sales team.
- Attempted to convert 2-3% of unorganised sales by engaging new customers and enhanced branding, potentially adding sales by 10%.

Highlights, 2018-19

- Strengthened the sales team across geographies.
- Strengthened the dealer network across Tier-II towns.
- Added ~100 dealers during the year under review.
- Increased throughput from the same distribution network.
- Penetrated deeper into major markets (Uttar Pradesh and Rajasthan).

Road ahead, 2019-20

- Grow sales volumes by ~12%.
- Expand dealer network.
- Increase revenues from Northern and Southern India.
- Moderate transit time in South Indian to 2-5 days following the commissioning of a plant in Tirupati.

Design review

Somany has been a trend-setter through a complement of designs, styles, finishes and sizes.





>3,000

Number of designs in
Somany's catalogue, 31st
March 2019

THE SOMANY EDGE

The Company's focus is not just on patterns or colours but also textures. This provides Somany with an edge over sectoral peers and superior offtake.

Overview

Somany has reinforced its respect as a trendsetter in India's ceramic tile industry.

Over the years, the Company periodically enhanced its appeal through the introduction of aesthetically-appealing designs.

Strengths

- The Company possessed the largest designs archive within India's ceramic tile sector.
- The Company invested in the largest design team within the Indian tiles sector.
- The Company commissioned four design centres that stayed abreast of global trends.
- The Company reviewed designs quarterly based on research and sales team feedback.
- The Company's enduring ties with international design houses (Italy and Spain) helped customise and introduce the latest designs to India.
- The Company achieved zero or minimal attrition in newly-designed tiles.

Challenges and responses

The biggest industry challenge is plagiarism by ~200 unorganised players. Somany addressed this challenge through a periodic catalogue churn on the one hand and leveraging its vast design portfolio on the other.

Highlights, 2018-19

- Launched ~1,200 designs compared to ~1,000 in the previous year.
- Retained all design team members, protecting its knowledge capital.

Road ahead, 2019-20.

- Sustain market leadership through superior design and product innovation.
- Ensure continuous technology advancement.

Human resources

The success of Somany Ceramics is influenced the effectiveness with which it recruits, trains and retains people – the biggest driver of its business sustainability.

Overview

The domain of human resources has undergone a dramatic makeover. Shedding its 20th century reputation as a neglected sector tasked with minor duties like handling employee benefits, payroll and labour relations, the management of human resources has become a vital cog in the success of an organisational machine. Companies are now realising that they must compete for the best workers not only based on their professional and economic success, but on their company culture.

Somany is putting its best foot forward in terms of embracing these contemporary trends. Without losing sight of conventional roles, the Company is enhancing employee wellbeing to leverage their complete potential.

Strengths

The Company's HR function revolves around the following five core principles:

- Acquisition of competent talent.
- Disciplined operations.
- Transparency and accountability.
- Development of an ethical culture.
- Innovation in HR practices.

The Company lays a keen emphasis on sustained outperformance.

The Company communicates with employee through various initiatives (Samvad, Infobites, Performance Clinix and e-portal, among others).

The Company's exclusive orientation programme prepares employees when joining the organisation.

Challenges and responses

- Given the limited availability of talent within the tiles industry, the Company created a talent pool from other industries. Learning and development played pivotal role in aligning the diverse talent force with the organisation's expectations.
- To simplify workflows and optimise process turnaround time, HR processes were consistently renewed, while discarding redundant sub-processes and automating manual ones.

Highlights, 2018-19

- Undertook a survey in collaboration with Gallup to ascertain employee engagement across functional levels and take remedial steps.
- Deployed a pan-India Performance Enablement Plan (PEP) for the sales team.
- Multi-folded learning reach by training professionals by engaging e-learning portal (LMS) and short video modules sent via WhatsApp.

Road ahead, 2019-20

- Increasing employee engagement across the organisation.
- Strengthening performance, learning and development, people analytics.
- Offering better performance platform and growth opportunities for employees.

KEY HR INITIATIVES

Infobites

For the expected joiners, a pre-joining orientation book promotes the Company's culture and helps them to engage with employees before joining.

Product learning

Enhances awareness of product mix, unique product strengths and technical basics among employees.

Performance clinix

Advises employees about how to enhance their performance and progress in their career.

Samvad

Listens to the voices (grievances/ ideas/ suggestions) of new joinees.

Pace

Resolves communication bottlenecks within the organisation to accelerate workflows.

KEY METRICS

35	36	1,274 (staff headcount) Employee count as on 31st March 2018	1,232 (staff headcount) Employee count as on 31st March 2019	16% Attrition rate during 2013-14	17% Attrition rate during 2018-19
-----------	-----------	--	--	--	--

Average
employee age
during 2015-16

Average
employee age
during 2018-19

Employee count as
on 31st March 2019

Attrition rate during
2013-14

Attrition rate during
2018-19



Tiles | Revenues (2018-19)
as of overall revenue: **88.3%**



Ceramic tiles	Revenues (2018-19) as % of overall revenue: 37.6%	Capacity: ~28 msm per annum	Number of joint ventures: 2	Manufacturing facilities: 4
---------------	---	-----------------------------	-----------------------------	-----------------------------



**Polished
vitrified tiles**

Revenues (2018-19) as %
of overall revenue: 32.2%

Capacity: ~15 msm
per annum

Number of joint
ventures: 4

Manufacturing
facilities: 4



Glazed
vitrified tiles

Revenues (2018-19) as %
of overall revenue: 18.5%

Capacity: 10
msm per annum

Number of joint
ventures: 1

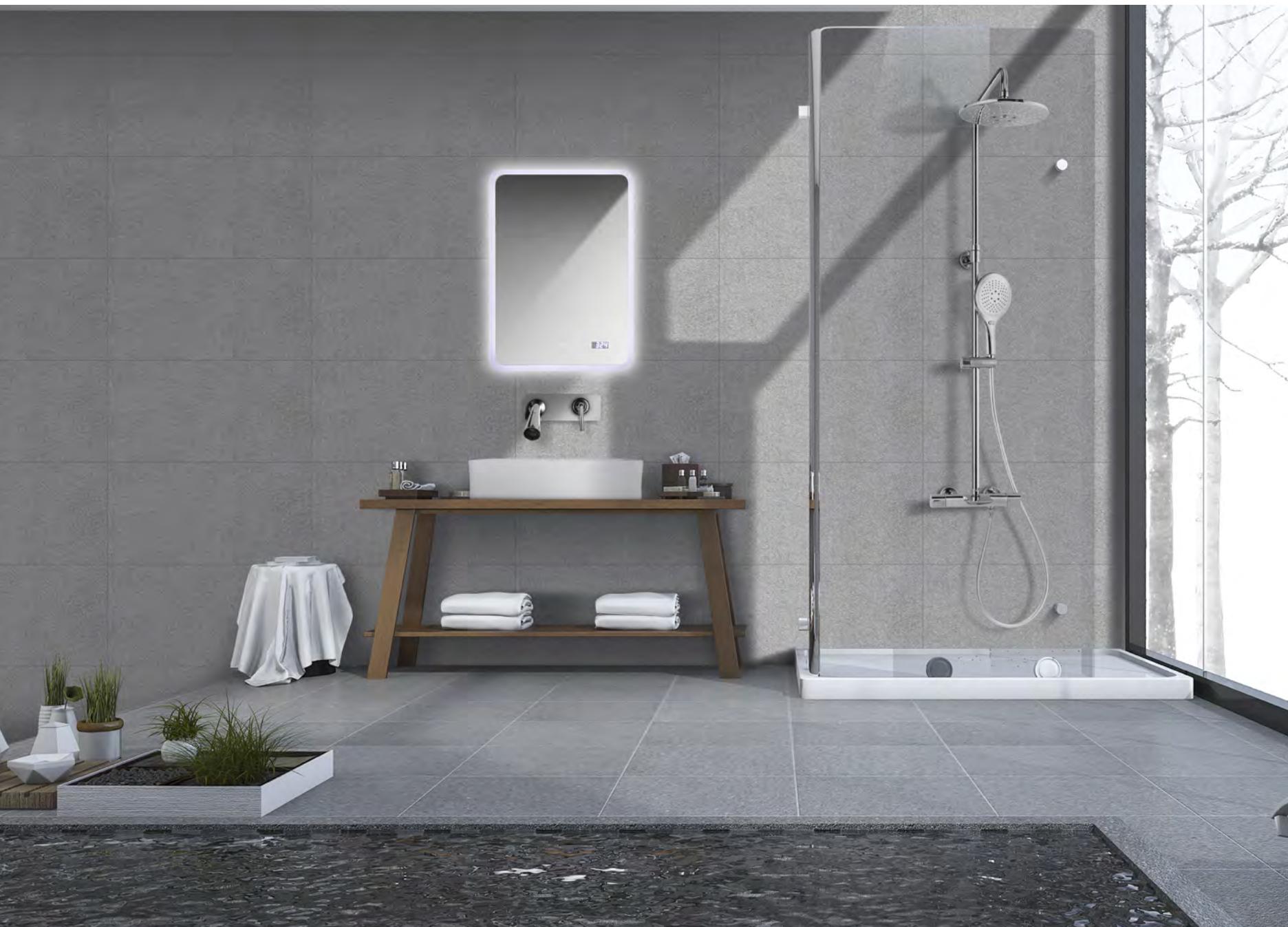
Manufacturing
facilities: 2



Sanitaryware

Revenues (2018-19)
as of overall revenue: **7.1%**

Capacity: 1.15 mn pcs per annum
Number of joint ventures: 1
Manufacturing facilities: 1



Bath fittings

Revenues (2018-19)
as of overall revenue: **4.0%**

Capacity: 0.65 mn pcs per annum
Number of joint ventures: 1
Manufacturing facilities: 1

Our social engagement

The brand 'Somany' has been synonymous with social engagement since inception. As a corporate social citizen, Somany is engaged in fulfilling its social responsibility in the fields of education, skill development, infrastructure development, youth and women empowerment, health and hygiene.

Somany contributed towards various social and economic development of the backward and underprivileged community through the effective implementation of various Community Development Interventions under its CSR programs named 'Sustainable Skill Development Program' in Kadi and Mehsana in Gujarat. It has been consistently making efforts towards reaching out to the less privileged sections of society and contributing towards their betterment. Under this programme, training was imparted to the youth and women of the target villages in four skills and trades, namely refrigeration and air-conditioning, tailoring, electrician and basic computers.

Sanitation

An effective sewage system is essential for maintaining ecosystem integrity. A CSR initiative of construction of sewage system was taken up by Somany at village Kassar, Bahadurgarh in district Jhajjar, Haryana. It contributes towards

improving the environment through proper drainage and disposal of wastewater; while preventing floods through the removal of rainwater and preserving receiving water quality. The sewage construction project has proved highly impactful in improving the quality of rural life, contributing towards socio-economic development.

Health and hygiene

During the year, the Company organised general health camps and paediatric health camps in district Mehsana, Gujarat, under which general health checkups, treatment, medicine distribution, patient counselling and referral services were provided. Somany also organised specialised camps for free eye checkups and blood donations, campaigning for awareness about personal hygiene to spread awareness about community health.

Education programme

To help students to prepare for competitive examinations to help them along the career path of their choice, the Company laid the foundation for a wifi-enabled library in Kadi, district Mehsana, Gujarat.

Somany provided grants for the CSR project 'Quality Education Programme' for the supply

of education materials i.e. chairs, fans, smart boards and projector and tables etc. to five government schools situated in Hissar, Haryana.

Somany also contributed to infrastructure development, establishing and running of centres of excellence and research among others, to assist the International Foundation for Research and Education (Ashoka University).

Sports development

- Regular training sessions were conducted for hockey, kho-kho and badminton.
- Friendly matches were conducted for football, volleyball, hockey and badminton between school teams to prepare them for various sports tournaments and participation in District and State-level tournaments.
- Sports teams from 'Sports Development Programme' of Somany Sustainable Community Development Project participated in 'Khel Mahakumbh Competition-2018' in Mehsana district in October 2018 organised by the Gujarat Government.

Skill development programme

Skill development is integral to the CSR programme of Somany. The Company's initiative in this area has manifested in the form of:

- Basic computer training to beneficiaries under the project. This has been one of the most useful projects as it helped the youth of the villages acquire a precious skill for employment in today's digitalised workplaces.
- Provided basic training for tailoring by educating women in operating sewing machines and stitching various designs of different products such as garments, bags, cushion covers etc.
- Refrigeration and air-conditioner training was provided to youths.



Management discussion and analysis



GLOBAL ECONOMIC OVERVIEW

Following a robust growth of 3.8% in 2017 and in the first half of 2018, the global economy slowed significantly in the second half of 2018, reflecting a confluence of factors affecting major economies like the failure of the Brexit negotiations, tightened financial conditions, geopolitical tension and higher crude oil costs. Owing to these realities, the global economic

growth in 2018 was estimated at 3.6%.

Crude prices remained volatile since August 2018 as a result of multiple factors including American policy pertaining to Iranian exports and softening global demand. Oil prices dropped from a four year peak of US\$ 81 per barrel in October 2018 to US\$ 61 per barrel in February 2019. While advanced economies are showing signs of slowdown, emerging economies like

India and China are expected to fuel the world's economic growth engines.

Global growth is expected to remain at 3.3% in 2019. The unwinding of the US fiscal stimulus and the fading of the favourable spill-overs from US demand to trading partners will be offset by a pickup in growth in emerging markets and developing economies.

Global economic growth over six years

Year	2015	2016	2017(E)	2018(E)	2019 (P)
Real GDP growth (%)	3.2	3.1	3.8	3.6	3.3

[Source: World Economic Outlook, January 2019] E: Estimated; P: Projected

INDIAN ECONOMIC OVERVIEW

India retained its position as the sixth-largest economy and the fastest-growing trillion-dollar economy through a major part of the year under review (except in the last quarter of 2018-19). After growing 7.2% in 2017-18, the Indian economy is estimated to have grown 6.8% in 2018-19 as per the Central Statistics Office release, May 2019.

The principal developments during the year under review comprised a sustained increase in per capita income, decline in national inflation, steady interest rates and weakened consumer sentiment from the second half of the financial year. The weaker sentiment was on account of a large non-banking financial institution announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment, which in turn resulted in slower GDP growth that declined to 5.8% by the fourth quarter of 2018-19, the slowest growth in a single quarter in years.

In 2018, the country attracted ~US\$ 42 billion in FDI inflows as per the World Investment Report, 2019. Driven by strong policy reforms, India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the 'Ease of Doing Business' that captured the performance of 190 countries.

In 2018, the country attracted ~US\$ 42 billion in FDI inflows as per the World Investment Report, 2019.

The commencement of the US-China trade war opened new opportunities for India, particularly in the agro sector. Inflation (including food and energy prices) was estimated at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. The rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44. During the fiscal under review, the Indian Government continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building.

Key government initiatives

Bank recapitalisation scheme: In addition to infusing ₹2.1 Lakh Crores in public sector units, the Indian Government announced a capital infusion of ₹41,000 Crores through recapitalisation bonds in 2018-19.

Expanding infrastructure: The Government of India invested ₹1.52 trillion to construct 6,460 kilometres of roads in 2018. Its expenditure of ₹5.97 trillion (US\$ 90 billion) towards infrastructural development for 2018-19 is expected to strengthen the national economy.

Increasing MSPs: The Indian Government fixed MSPs of 22 mandated kharif and rabi crops and FRP for sugarcane. The Indian Government committed to provide a 50% return over the cost of production for all mandated crops, strengthening the rural economy.

Budgetary allocation: India's defence budget is projected to surpass ₹3,00,000 Crores (US\$ 42 billion) in 2019-20 for the first time ever.

The Insolvency and Bankruptcy code

(Amendment), Ordinance 2018: Passed in June 2018, the ordinance provides significant relief to home-buyers by recognising their status as financial creditors. The major beneficiary of the ordinance were the MSMEs, because it empowered the Indian Government to provide them a special dispensation under the code.

Pradhan Mantri Kisan Samman Nidhi: The Indian Government announced the Pradhan Mantri Kisan Samman Nidhi in February 2019, a scheme promising an annual assured income of

₹6,000 (US\$ 85) for any farmer owning less than or equal to 2 hectares of farmland. The budget for the fiscal year 2020 allocated ₹75,000 Crores for the scheme, benefiting ~120 million land-owning farmer households.

Direct Benefit Transfer: The Direct Benefit Transfer initiative re-engineered the cash disbursement process in welfare schemes through simpler and faster flow of information/funds to ensure accurate targeting of beneficiaries, de-duplication and reduction of fraud. In 2018-19 alone, this scheme is estimated to have transferred more than ₹3,14,465 Crores and the gains to have accrued since scheme implementation estimated at more than ₹1,20,000 Crores.

Outlook

The Indian economy appears to be headed for sustained sluggishness in 2019-20. Even as a new government is expected to remain pro-investment and pro-business resulting in a larger spending on infrastructure build-out, an economic revival appears some quarters away. The long-term outlook of the country appears to be positive on account of the various economic reforms, increasing aspirations, sustained consumption momentum and a national under-consumption across a range of products appearing to correct. (Source: CSO, Fitch, Economic Times, Business Standard, IBEF, Business Today, India Today, Money control)

GLOBAL TILE INDUSTRY OVERVIEW

The global ceramic tile market is estimated to be valued at US\$ 84,755 million by 2017-end and is expected to reach US\$ 1,67,033 million by end-2025, expanding at a value CAGR of 8.9%. The ceramic tiles market is anticipated to represent an incremental opportunity of US\$ 82,277 million between 2017 and 2025. In terms of volume, the ceramic tiles market is estimated to reach 32,166 million square metres by 2025, exhibiting a volume CAGR of 8.6%.

The rapid growth in construction and renovation activities across the globe is expected to be

the major driver for the growth of the ceramic tiles market. Rising government initiatives encouraging infrastructure development, high disposable income, and population growth are some factors aiding the growth of the construction sector. This is expected to consequently aid the growth of the ceramic tiles market between 2018 and 2023. However, the high cost of raw materials and the fluctuating energy prices could prove to be major restraints for the ceramic tiles market between 2018 and 2023.

On the other hand, stringent environmental regulations pertaining to carbon emissions caused during the manufacturing of ceramic tiles has enforced market players to enhance their R&D in order to explore and manufacture eco-friendly products. This is expected to unveil new opportunities for the ceramic tiles market in the near future. Floor tiles segment dominated the ceramic tiles market in the year 2017 in terms of volume. They are used in various residential as well as commercial buildings such as hospitals, offices and retail stores. This is expected to aid the growth of the floor tiles segment between 2018 and 2023.

Wall tiles segment accounted for the second largest market share and is expected to witness significant growth during the forecast period.

Residential replacement segment emerged as the leading application segment by accounting for most of the global market share in terms of revenue and is expected to witness significant growth between 2018 and 2023. Growing demand for ceramic tiles to replace paints, marble, stone, granite, and glass is expected to enhance the growth of the ceramic tiles market for residential replacement applications between 2018 and 2023.

The new residential segment is expected to witness significant growth owing to rising construction activities across the globe. North America witnessed sluggish growth for the ceramic tiles market. This trend is expected to continue between 2018 and 2023 owing to the stringent environmental regulations in North America, which have driven the manufacturers in the region towards expanding to other regions across the globe that stipulate fewer regulations and offer cheaper manufacturing cost.

Key players in the construction industry have increased the use of ceramic tiles in their projects due to such properties of ceramic tiles as high durability and frost and thermal shock resistance, among others. Europe accounted for the second-largest market share following the Asia Pacific. The region is expected to witness significant growth on account of rising

remodeling and renovation activities. The growing demand from the commercial sector is also expected to push up the demand for ceramic tiles between 2018 and 2023. Rising GDPs of several nations, increasing disposable income, changing home furnishing trends are also expected to drive the demand for ceramic tiles in Europe. The Asia Pacific accounted for the largest market share in 2017 and is expected to be the fastest growing regional segment for the ceramic tiles market between 2018 and 2023.

Growing urbanisation and population explosion in countries like China and India are expected to augment construction activities between 2018 and 2023. Rising investment in the infrastructural development in emerging economies is expected to increase the demand for high quality for ceramic tiles. Furthermore, demand for indoor environment in buildings is expected to augment the growth of ceramic tiles market in the Asia Pacific. The Latin American ceramic tiles market is expected to witness significant growth over the forecast period as a result of increasing construction activities in the countries of Latin America, especially Brazil. Further, rising disposable income and improving GDPs in this region are expected to create opportunities for the ceramic tiles market between 2018 and 2023. The Middle East and Africa have witnessed a lucrative growth owing to the rise in investment in the construction industry. Recently improved infrastructure and facilities in Africa have increased the demand for ceramic tiles in the region. Globalisation and the heavy influx of expatriates in the Middle East, especially in countries such as the UAE, Qatar, and Oman have increased the demand for infrastructural development to aid the tourist activities. These developments are expected to drive the growth of ceramic tiles market in the Middle Eastern and African nations between 2018 and 2023. (*Source: Persistence Market Research, Globe News Wire*)



Favourable characteristics	Key demand drivers	Major markets
<ul style="list-style-type: none"> • Lightweight • Ultra-thin • Easy-to-install, clean and repair • Availability of protective coating on tiles making them anti-slip, anti-bacterial and stain-resistant, among others 	<ul style="list-style-type: none"> • Rising disposable income • Increasing urbanisation and industrialisation • Growth of the real estate sector • Technological advancements • Increasing customisation 	<ul style="list-style-type: none"> • China • Brazil • India • Spain • Indonesia • Iran • Italy • Vietnam • Turkey • Mexico

(Source: Business Wire)

INDIAN TILE INDUSTRY OVERVIEW

India is the second-largest producer and consumer of tiles in the world. The Indian ceramic tile industry was estimated at €3.8 billion with installed capacity of 955 million square metres. The Indian ceramic tile industry is dominated by ~16 organised players in terms of value.

Various governmental initiatives for infrastructure development and favourable demographics are expected to drive the ceramics, sanitaryware and bathroom fittings industry in the future. Consequently, the ceramic tiles industry is likely to register a double-digit volume growth by 2019-20. ~62% of the incremental demand in 2019-20E would come from the price-sensitive segment, i.e., PMAY (Urban) and Clean India Campaign (Rural). This should result in higher demand for low-to-mid-priced products such as polished vitrified and ceramic tiles.

The ceramic tiles industry is estimated to post volume growth of ~8% in 2018-19E and ~13% in 2019-20E. The expansion comes on the back of 1.6x annual jump in 2017-18 projects under execution under the PMAY (Urban) and 42% y-o-y pre-sales growth in 2017-18 of listed real estate firms. South India is seen to be growing faster than all-India growth as it accounts for 44% of projects under execution. Recently, the Gujarat High Court ordered the closure of coal gasifier-based tile units in Morbi to check air and water pollution. This measure, coupled with stricter implementation of GST and E-way Bill

regulations, augurs well for organised players as the cost of doing business outside regulation will increase significantly.

Improving demand for the organised players will drive 15% volume growth and 210 bps margin expansion to 13% in 2018-19. However, in the light of the poor surveillance by the Central Government following the E-way Bill implementation, estimates are at risk as prices continue to remain under pressure amid rising fuel costs. The benefits of rationalisation in GST rates on tiles and marble and implementation of E-way Bill will start reflecting gradually in the coming quarters. (Source: Economic Times, Industry Research, Messe Muenchen India, Ceramics Asia, Unifair)

Outlook

Tile manufacturers reported muted earnings in the fiscal gone by. Realisations took a hit as the prices of glazed vitrified tiles softened and an increase in fuel prices dented margins. Increase in key input prices resulted in a contraction in operating margin and subsequently lowered profits for all players. While the cost of raw materials remained largely stable, operating margin came in lower as gas prices rose sharply. Tile manufacturing is a power-intensive industry with natural gas and electricity accounting for 40-45% of total costs. The price of natural gas has seen a steep increase of ~23% in the past one year.

Despite a lacklustre performance, players remain optimistic of volume growth and demand

recovery in 2018-19 as industry reforms and government policies are expected to should have a positive impact on the organised players. The tile industry faced a challenging year as performance was impacted by demonetisation, rollout of GST and implementation of RERA. The E-Way Bill is anticipated to be a game-changer as it will reduce tax evasion of the unorganised players and aid market share of organised players. Surveillance measures in the current E-Way Bill need to be stricter to ensure a higher level of tax compliance and create a level playing field for the organised players.

Recovery in real estate (after implementation of RERA) is expected to further spur the demand for building products. These players will also benefit from Housing for All (6 Crores new houses by 2022) and Smart City Mission (development of 100 smart cities). Anti-dumping duty on Chinese vitrified tiles (valid up to 2022) would further aid the organised players. (Source: Moneycontrol)



Technology trends

Nano-technology, 3-D printing, large size tiles and double vitrified tiles are the emerging trends in the Indian ceramic tiles sector

Nano technology

- Nano-technology is preferred because it adds properties like dirt resistance and bacteria resistance which, in turn, enhance shelf life and tile strength.
- Increasing use in hospitals, laboratories

and food processing plants due to hygiene requirements.

3D printing

- Find application in tiles and is becoming a style statement marked by increasing use in bedrooms and living rooms and in wall tiles
- Further, 3D printing also finds application in outdoor cladding, wall cladding and elevation

Large tiles

- Increasingly preferred in large format

panels and slabs, enhancing visual appeal

- Benefits – size flexibility, variable thickness and higher productivity due to increased cycles/hour

Double charge vitrified tiles

- Double charge vitrified tiles press-feed two colours on the tiles bisque and make a thick layer of design, making the design layer 3 to 4 mm thicker
- These tiles are the ideal choice in heavy traffic commercial projects

Key challenges

Raw material

- Availability of quality raw materials at reasonable cost is the primary and most important challenge.
- Rising raw material cost also poses a big threat to the industry.

Environmental issues

- The industry is marked by issues related to air pollution, waste water and solid waste.
- Lack of awareness about environment-friendly working conditions.

Social issue

- Lack of skilled manpower is another important challenge.
- Workers health safety is a serious challenge as they are exposed to high risk of developing silicosis and silico tuberculosis during their working life span.

Cheap imports from china

- There has been a significant increase in the volume of dumped imports of vitrified tiles from China at 25% below the usual value.

Energy

- Availability of reliable power supply is another challenge.

- Exorbitantly high fuel cost and the lack of availability of clean fuel at cheaper rate.

Governmental initiatives

Cluster related

Scheme

- Micro and small Enterprises – Cluster development Programme (MSE-CDP).
- Industrial infrastructure upgradation scheme (IIUS).

Concerned authority

- Ministry of Micro,Small and Medium Enterprise.
- Department of Industrial Policy and Promotion (DIP).

Objective

- Development of clusters in order to enhance productivity, competitiveness and building capacities of micro and small enterprises (MSE).
- To enhance competitiveness of the domestic industry by providing quality infrastructure through purchasing power parity (PPP) approach for selected clusters having the potential to compete globally.

Technology

Scheme

- Credit linked capital Subsidy Scheme (CLCSS)
- NMCP

Concerned authority

- Ministry of Small Scale Industries (SSI)
- Ministry of Micro,Small and Medium Enterprises

Objective

- Technology upgradation of SSI by providing upfront capital subsidy to SSI units.
- In order to enhance SME competitiveness, the government came up with schemes to promote ICT, tool rooms, design clinics, marketing support.

Exports

Scheme

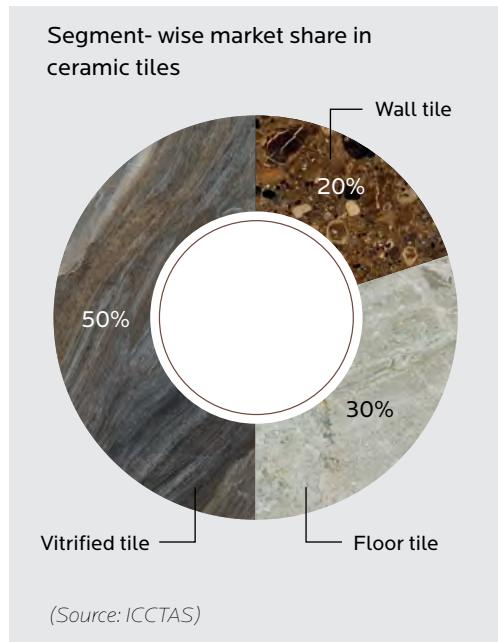
- Marketing Development Assistance Scheme (MDA)
- Market Access Initiative (MAI) Scheme

Concerned authority

- Ministry of Commerce and Industry

Objective

- Providing financial assistance for export and participating in activities such as trade fairs to promote export.
- Promote export through market studies and surveys.



Demand drivers

Real estate

Housing

Upcoming projects in affordable housing have created demand for tiles. Besides new houses, renovation and replacements are also driving the demand for tiles. Ceramics are competitively priced in comparison to marble hence they are increasingly being used instead of natural stones. Availability of multiple product lines at varied price ranges leads to easy availability of replacement alternatives.

Retail malls and commercial spaces

Retail shopping malls are projected to expand to 12-15 billion square feet by 2020.

Hotels

By 2020-21, 56,912 hotel rooms will be constructed across major cities making the Indian hotel sector a major driver of demand for the tiles industry.

Policy initiatives

Pradhan Mantri Awas Yojna (PMAY) - Urban and Gramin

Under the PMAY-Urban, 40 million urban homes are projected to be constructed by 2022.

At the end of 2017-18, 44.5 Lakhs houses were constructed under the PMAY-Gramin.

Swachh Bharat Abhiyan

~3.9 Lakhs public and community toilets have been built under the Swachh Bharat Abhiyan, while with the providing for the construction of 33.4 Lakhs individual household latrines as of 2017-18. ~42 Lakh toilets are expected to be under construction by 2018-19-end.

Swachh Bharat Abhiyan-Gramin has provisioned for the construction of 2.96 Crores household toilets and this arm has paved the way for the introduction of the use of sanitaryware in rural households, adding to the awareness of the importance of sanitation in leading healthy lifestyles.

The Swachh Bharat Abhiyan incentivises open defecation-free cities and villages which have led to the construction of public toilets in addition to potential household toilets. However, there still lies a huge demand for ceramic tiles as only 19 of the 36 states and union territories of the country have been declared open defecation-free.

Lifestyle

Increasing urbanisation and rising disposable income have altered the lifestyle choices of the people in India leading to a preference for luxury-focused ceramic tiles and sanitaryware, especially in metro cities.

Tier-II and III cities are emerging as consumption hubs as rapid urbanisation is revolutionising concepts pertaining to architectural design and home décor.

(Source: CARE)

GLOBAL SANITARYWARE SEGMENT OVERVIEW

The global market for sanitaryware was valued at \$9,194 million in 2017 and there are projections that it is expected to reach \$13,616 million by 2025 at a CAGR of 5.0% from 2018 to 2025. Ceramics segment accounted for more than 50% share of the global sanitaryware market in terms of its value. This market is expected to witness high growth due to rising construction activities, increasing demand for commercial and

industrial establishments, rising urbanisation and rise in discretionary spending. In addition, the emergence of concept bathrooms has supplemented the growth of the sanitaryware industry. This, in turn, has increased the replacement rate of sanitarywares across the globe. The sanitaryware market is also projected to witness high growth in developing countries, such as India, China, Brazil, and others.

In India, the sanitation programs and impetus on construction of toilets through the Swachh Bharat Abhiyan have increased the growth and scalability of the sanitaryware industry. In addition, high demand under the aforementioned schemes has largely benefited the sanitaryware industry. Toilet sink/water closets were the highest contributors to this market in 2017 and are expected to grow at a CAGR of 3.5%. The pedestal segment is the quickest-developing segment enlisting a CAGR of 6.1% between 2018 and 2025. In terms of regions, this market could see high growth in developing nations such as India, China, Brazil, and others.

Growth in the market is also being led by rising demand for efficient systems which use minimal water along with continuing growth in the residential and commercial real estate sectors globally. Rising awareness about proper sanitation in developing nations and initiatives undertaken by respective governments are also expected to propel this market in the coming years. (Source: Business Wire)

Global trade scenario

Tiles: ~72% of the world's production of ceramic tiles is contributed by Asia, with China being the largest contributor (50%), followed by India (7%). Among the world's largest exporters are China, India, Spain and Italy. The production of high-end and styled ceramic products is dominated by Spain and Italy. The US, Saudi Arabia and Germany are the world's largest importers. (Source: World Ceramic Review)

Sanitaryware: Thriving housing sectors in countries such as US, China, Germany, India, South Korea and the Middle East are the world's



major sanitaryware consumers. In this segment too, Asia is the largest exporter, with China as the major exporter followed by Mexico. (Source: CARE)

INDIAN SANITARYWARE SEGMENT OVERVIEW

The Indian sanitaryware market estimated to be ~€560 million in 2017. The basic segment is dominated by unorganised players whereas standard, premium and luxury segments are dominated by organised players. Import of sanitaryware grew by 55% in 2017-18 from 54,000 tonnes in 2016-17 to 84,000 tonnes. The uptick in import was due to the increased demand for premium product brands in India.

Export of sanitaryware have been growing steadily. The export volumes had declined marginally in 2014-15, owing to a rise in domestic consumption. European water closets, wall mounted and over-the-counter wash basins have shown the highest growth in the segment. The majority of consumers are shifting from traditional standard closets to wall mounted closets and pedestal basins to over-the-counter basins because they are more contemporary in design. This shift can be attributed to easy cleaning and thin rim designs which are space

efficient and trendier by look as well.

Mere functional bathrooms no longer interest urban customers. The demand is for contemporary design with environment friendly and technologically superior product options. It is mandatory for manufacturers to keep up with technological advancements. Favourable government policies like corrected gas prices and anti-dumping duty on Chinese vitrified tiles have acted as a catalyst in boosting demand. These factors have led to an increase in the competitive edge for organised tile manufacturers, despite real estate slowdown, demonetisation and GST. (Source: Messe Muenchen India, Ceramics Asia, Unifair, Indian Retailer, CARE)

FINANCIAL REVIEW (BASED ON STANDALONE FINANCIAL PERFORMANCE)

Profit and loss account analysis

Total income: Total income increased to ₹1,71,844 Lakhs during 2018-19 from ₹1,70,069 Lakhs during 2017-18. However, sales grew by ~3% in 2018-19 on like to like basis.

Expenditure: Total expenditure stood at ₹1,63,915 Lakhs during 2018-19 as compared

Mere functional bathrooms no longer interest urban customers. The demand is for contemporary design with environment friendly and technologically superior product options.

to ₹1,59,516 Lakhs in 2017-18; increase in expenditure is mainly on account of increase in cost and higher scale of operation during the year.

EBITDA: EBITDA decreased to ₹13,641 Lakhs during 2018-19 as compared to ₹15,022 Lakhs during the previous fiscal mainly due to lower sales and increase in cost.

Depreciation: Depreciation during the year increased to ₹3,100 Lakhs from ₹2,704 Lakhs commensurate with increase in gross block.

Finance cost: Finance cost during the year went up to ₹2,612 Lakhs compared to ₹1,766 Lakhs during 2017-18 mainly on account of increase in borrowing and also an upward movement in the rate of interest.

Profit before exceptional items: Profit before exceptional items for the year stood at ₹7,929 Lakhs compared to ₹10,553 Lakhs in previous fiscal.

Exceptional items: Exceptional items stood at ₹741 Lakhs on account of (i) Gain of ₹532 Lakhs from divestment of investment in Commander Vitrified Pvt. Ltd. (ii) Gain of ₹511 Lakhs on account of provision written back, created earlier towards levying an additional tax on the procurement of natural gas in Haryana plant

(iii) Loss of ₹198 Lakhs due to non-recoverability of an insurance claim with respect to a loss of stock due to fire (iv) Loss of ₹1,586 Lakhs due to defalcation committed by an employee.

Profit before tax: Profit before tax stood at ₹7,188 Lakhs compared to ₹10,112 Lakhs during 2017-18 mainly on account of lower sales and increase in cost components like power & fuel, employees cost, etc.

Net profit: Net profit declined to ₹4,632 Lakhs during 2018-19 as compared to ₹6,510 Lakhs during 2017-18.

Balance Sheet analysis

Net worth: Net worth increased to ₹59,205 Lakhs during 2018-19 compared to ₹55,973 Lakhs during 2017-18 on account of ploughing back of profits.

Total debt: Total debt marginally decreased to ₹28,398 Lakhs compared to ₹28,866 Lakhs during 2017-18 mainly due to a decrease in working capital utilisation.

Net block: Net block (including capital work-in-progress) increased to ₹39,640 Lakhs during 2018-19 as compared to ₹38,692 Lakhs during 2017-18 primarily due to plant and equipment modernisation of certain lines.

Long-term investments: Long-term investment increased to ₹6,368 Lakhs in 2018-19 as compared to ₹5,063 Lakhs in 2017-18.

Net current assets: Net current assets decreased to ₹44,479 Lakhs during 2018-19 from ₹44,879 Lakhs during 2017-18 mainly due to a decrease in receivables.

Ratio analysis

Debtor Cycle: Debtor days improved to 89 in 2018-19 from 106 days in 2017-18 on account of stricter credit monitoring.

Inventory Cycle: Inventory level also improved marginally from 56 days to 54 days in 2018-19.

Interest Coverage Ratio: Interest coverage ratio reduced to 3x in 2018-19 from 4.1x in 2017-18 due

to lower profits during the year.

Current Ratio: It is strengthened to 1.6x in 2018-19 from 1.4x in 2017-18 on account of overall working capital improvement.

Debt Equity Ratio: Total debt equity ratio is remained at 0.9x in 2018-19.

Operating Profit Margin: EBITDA margin declined to 10.7% in 2018-19 from 11.9% in 2017-18 primarily due to a lower growth in sales and steep increase in fuel cost (natural gas price).

Net Profit Margin: Consequently, net profit margin declined to 2.7% in 2018-19 from 4.7% in 2017-18.

Return of Net Worth: Return on average net worth reduced to 7.8% in 2018-19 from 12.7% in 2017-18 due to a decline in earnings and increase in net worth.



RISK MANAGEMENT

Economic risk Any adverse economic impacts or fluctuations could affect the Company's operations.	Mitigation: A prudent asset light model coupled with a balanced mix of institutional and retail customers have helped the Company ensure greater resilience with respect to macroeconomic conditions.
Forex risk Fluctuations in foreign exchange values could affect profitability.	Mitigation: The Company continuously tracks the foreign exchange movements and takes appropriate hedging measures to tackle the volatility in exchange rates.
Competition risk Higher competition from the industry could affect margins.	Mitigation: Consistent focus on innovation has helped Somany in developing a superior brand recall, enabling the Company to move higher up in the value chain into luxury products. The diversified portfolio enables the Company to provide products that can address every conceivable need.
Product risk Lack of innovation or development could reduce offtake.	Mitigation: The Company has the largest archive of tile designs in the industry coupled with continuous R&D initiatives that help Somany offer distinguished products which translate into superior offtake for the Company.
Operational risk Inefficient operations could affect profitability.	Mitigation: The Company continuously improves product mix and adopts cost optimisation measures which help to ward off risks and sustain profitability. The Company is also aided by its continuous focus on quality control.
Brand risk Poor visibility could impact market share.	Mitigation: The Company is focused on branding activities which revolve around creating a distinctive brand image in sync with its value-accretive products. Over the years, Somany has established itself as one of the most dominant players in the ceramic industry owing to its superior branding initiatives.
Distribution risk Inability to extend into developing markets can affect growth.	Mitigation: The Company's continuous focus on expanding its dealer network and launching experience centres for the best possible customer experience is directed toward mitigating this risk.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a set of robust control systems in place to streamline monitoring, reporting and compliance. These processes have been developed and strengthened over time with the key focus being on governance, alignment of processes to new regulations and audit reviews to determine key improvement areas and assessment of risks to develop mitigation

procedures. The Company will continuously work on enhancing analytics, broaden audit coverage and check exceptions.

HUMAN RESOURCES

Somany believes that its intrinsic strength lies in its dedicated and motivated employees. As such, the Company provides competitive compensations, an amicable work environment and acknowledges employee performance

through a planned reward and recognition programme. The Company aims to create a workplace where every person can achieve his or her true potential. The Company encourages individuals to go beyond the scope of their work, undertake voluntary projects that enable them to learn and devise innovative ideas. As on 31st March, 2019 the total employee strength of the Company stood at 3,210.

DIRECTORS' REPORT

Dear Members,

Yours Directors have pleasure in presenting the 51st Annual Report together with the Annual Audited Financial Statements of the Company for the year ended 31st March 2019.

FINANCIAL SUMMARY

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Revenue	1,69,554.98	1,68,164.30	1,71,505.40	1,74,718.64
Profit Before Depreciation, Interest and taxes	13,640.73	15,022.08	18,253.12	20,396.06
Profit before Tax	7,187.62	10,112.13	8,011.60	11,835.59
Tax Expense	2,555.42	3,602.15	2,684.04	3,925.46
Profit After Tax	4,632.20	6,509.98	5,327.56	7,910.13
Non-controlling Interests	-	-	693.38	865.71
Profit After Tax (attributable to controlling interest)	4,632.20	6,509.98	4,634.17	7,044.42
Transferred to General Reserve	-	-	-	-

FINANCIAL REVIEW

(The financial discussion is based on Standalone Financial Statements)

The year under review (FY19) was a challenging year for your Company both for internal as well as external reasons. On internal front corrective actions were taken to bring back financial discipline in place mainly in relation to the credit control. The sluggish market situation in our sector was another challenge to tackle. The aggregated impact was reflected on the topline growth of your Company during the year under review. Muted growth in topline had pressure on profitability, which was further aggravated due to steep increase in natural gas price during the year.

Despite these internal and external challenges, our revenues increased marginally to ₹1,69,554.98 Lakhs during FY19, from ₹1,68,164.30 Lakhs during FY18. The Earnings before Interest, Depreciation and Tax (EBIDTA), Profit before Tax (PBT) and Profit after Tax (PAT) for the year under review were ₹13,640.73 Lakhs, ₹7,187.62 Lakhs and ₹4,632.20 Lakhs respectively. Compared to the previous fiscal, EBITDA came down by 9.2% mainly due to lower sales and increase in costs; PBT reduced by 28.9% on account of lower sales and an increase in cost components such as finance interest, power & fuel charges, employee related costs and higher depreciation on a

larger gross block. The Company's PAT reduced by 28.8% compared to the previous year, standing at ₹4,632.20 Lakhs.

On the Balance Sheet front, your Company's Net Worth increased to ₹59,205.27 Lakhs in FY19 compared to ₹55,202.38 Lakhs in FY18 on account of the year's profits being added to reserves. The Company's total debt marginally decreased to ₹28,398.19 Lakhs, compared to ₹28,866.42 Lakhs during FY18, mainly due to a decrease in working capital requirements. The Net block (including capital work-in-progress) of your Company increased to ₹39,640.38 Lakhs during FY19, as compared to ₹38,692.46 Lakhs during FY18, primarily due to the investments made in the plant and equipments. The long-term investment increased to ₹6,368.01 Lakhs in FY19 as compared to ₹5,063.44 Lakhs in FY18 mainly due to investment in a new subsidiary. The Company's net current assets decreased to ₹44,478.74 Lakhs during FY19, from ₹44,879.41 Lakhs during FY18, mainly due to a decrease in its total receivables.

CORPORATE HIGHLIGHTS

Access to Capacity

During the year under review, your Company had access to ~63 million square meters (msm) of tiles, mainly through its own plants

(26.28 msm); through its subsidiaries/associates (26.39 msm); and through other outsourced partners (~10 msm). In Bathware, your Company had manufacturing capacity of ~1.15 million pieces per annum of sanitaryware and ~0.65 million pieces per annum of bath fitting items in its subsidiaries.

Capital Expenditure

Your Company continued to invest in expanding and upgrading its plant and machinery and infrastructure. During the year under review, the gross block increased by ₹3,682.75 Lakhs (previous year ₹10,128.49 Lakhs) towards addition in fixed assets.

Branding and Distribution

Your Company maintained positive Brand Development Index (BDI) with various successful Branding initiatives during the year. The Company not only explored new avenues to attract substantial and relevant eye balls, but also established new benchmarks in some of its Branding platforms.

During FY19, your Company launched an inflight and Airport campaign, which creatively displayed branding within airports and across multiple flights from airlines such as Spice Jet, Indigo, Jet Airways and Go Air, flying across various metros and important cities, including Mumbai, Bangalore, Chennai, Goa, Pune and Delhi.

Your Company continued its successful and well received campaign "Aapka Style Somany Style", and aggressively pursued to achieve a maximum GRP (Gross Rating Point) plus eyes balls across relevant Television channels and various OTT (Over the top) streaming platforms. Furthermore, your Company also extended its branding campaigns across many other alternative channels, including Digital, Radio, Retail, Print and Cinema.

Your Company also released a fresh campaign of consumer print advertisements to promote product categories such Duragres, Glosstra Plus, Duragres Planks and French Collection. These campaigns delivered the desired visibility around the year, in magazines such as Home & Décor, B2B/Trade and regional magazines. Premium positions such as the Back Covers and Inside Front Covers among others, were taken in various B2B and B2C magazines with average circulation of more than 75,000 across various publications, namely Architectural Digest, BBC Good Homes, Elle Décor, India Today Homes, Better Interiors, and Society Interiors. With Kerala being one of the focus states, your Company also released advertisements in Veedu (Home Décor Magazine), advancing our brand awareness and business momentum within the city.

For providing thrust to Sanitaryware & Bath Fittings brand positioning, your Company associated with Royal Challengers Bangalore as its "Official Partner" for IPL 2018 with category exclusivity. As a part of the association, the Somany Ceramics and RCB partnership achieved a 360° reach, which entailed a series of marketing activations and advertising campaigns across

all touch points, including outdoor, digital, social, and print. Marquee RCB players – Virat Kohli, AB De Villers and Yuzvendra Chahal were featured as your Company's brand ambassadors, making our brand reach out and resonate with prospective younger customers.

Your Company also established key relationships and engaged with PR firms and other media partners to ensure target brand visibility throughout the year. They achieved this by highlighting Somany's expanding retail foot print, new product launches, financial performances and major corporate announcements. Your Company garnered more than 250+ pieces of coverage for FY19, with an average of 1 clip per day. Furthermore, your Company was able to receive substantial air time coverage with leading business news channels, including CNBC TV18, CNBC Awaaz, Aaj Tak, Asianet and other mainstream news channels.

In lieu of keeping pace with changing consumer demand, your Company made two landmark launches during the year under review. It conducted an event named "Maestro 2", in which selected high performing dealers were invited to be recognised for their efforts towards company. Using the same platform, the Company also launched its latest state-of-art MAX range, comprising of large format tiles within the Glazed Vitrified Tiles vertical called Duragres. The second high landmark event was the launch of the French Collection from the Bath fittings division. Here, your Company launched a whole new state-of-the-art range of faucets. This was a hi-decibel launch which was covered by various media platforms to create market awareness. Overall, these launches of new offerings helped your Company garner customer interest and produce sustained commercial performance.

To capture a portion of a large B2B base in the market, representing a significant potential for future business opportunities, and to increase our base of national and international clientele, we continued our participation in landmark exhibitions such as Acetech, Build mat and Cersei (Italy). The Company displayed its range with state-of-the-art stall design, ensuring that our brand stood out in contrast to our competitors.

Keeping up to the tradition of strengthening the distribution network and expanding your Company's footprints, we now have 322 franchise outlets spread across India, with 60 new showrooms added during FY19 . Your Company recently opened four company-owned-company-operated (COCO) showrooms in Pune, Bangalore, Morbi and Noida. Apart from this, your Company expanded its regular franchise format stores with 11 Grandes, 11 exclusives , 12 studios, 19 bath studios and 3 Duragres showrooms.

In line with changing consumer behavior, your company engaged with customers more through the digital platform and implemented several initiatives on the digital front. Notably, the Company launched its new

website and mobile app for Android and iOS devices. This channel uses strong graphics and data, yet it is light and fast in usage, offering all the latest user interface and information at the tip of one's finger. Your Company also increased its website traffic by 52% and improved its overall google ranking.

INDIAN ECONOMY & INDUSTRY SCENARIO AND OUTLOOK

Economy

After decreasing sharply from 8.2% in FY17 to 7.1% in FY18 and then to 7.0% in FY19, India's GDP growth is expected to grow by 7.2% (RBI projection) in FY20. However, several factors are critical towards facilitating this growth. To start, public spending in rural areas, and an increase in the average disposable income of households due to tax benefits, are expected to augur well for an increase in private consumption. Secondly, credit flows are expected to improve and bolster economic activity as the level of nonperforming advances (NPAs) on banks' balance sheets declines and the resolution of stressed assets increases. Lastly, as capacity utilisation is expected to improve, tailwinds from lower oil prices and benefits of any rate cut are likely to support economic activity. However, a few risks continue to persist. The slowdown in the global economy and the trade war rhetoric could continue to impact India's export growth prospects. Moreover, the lack of private participation in fuelling a new investment cycle shifts the burden completely to government spending, which has a lower multiplier for the overall economy.

Manufacturers within the ceramics, sanitaryware and bathroom fittings industry have generally reported muted performance numbers for FY19. This was primarily because realisations took a hit as prices of glazed vitrified tiles softened, while at the same time an increase in fuel prices dented margins. Increase in key input prices generally resulted in a contraction in operating margin and subsequently lowered profits for all players. While the cost of raw materials remained largely stable, operating margin was lower as gas prices rose sharply. Tile manufacturing, is a energy intensive industry with natural gas and electricity accounting for 28-30% of production value . The price of natural gas has seen a steep increase of ~35% in the past one year itself.

Industry

Despite a lacklustre performance, players remain optimistic of volume growth and demand recovery in FY20 as industry reforms and government policies should have a positive impact on the organized players in particular. The tile industry faced a challenging year as performance was impacted by the ongoing effects of major reform actions such as demonetisation, rollout of GST and implementation of RERA. The proposed improvements

towards enforcement of GST by implementing e-invoicing will act as a game-changer and consequently reduce tax evasion by unorganized players and aid market share of organised players by creating a level playing field.

Your company is optimistic on the medium to long term prospect of the industry in view of several governmental initiatives for encouraging infrastructure development and favourable demographics are expected to drive the tiles, sanitaryware and bathroom fittings industry in the future. Expected recovery in real estate (post implementation of RERA) will further spur demand for building material Industry. Real Estate players will benefit from various government initiatives like Housing for All (6 crore new houses by 2022) , Smart City Mission (development of 100 smart cities) . Anti-dumping duty on Chinese vitrified tiles (valid up to 2022) is further expected to support organised players.

DIVIDEND

Your Directors are pleased to recommend a dividend of 100% i.e. ₹2.00 per equity share for the year under review as against 135% at ₹2.70 per share in the previous year. This represents a pay-out ratio of 22.1%. Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the dividend declared by the Company is as per the dividend distribution policy adopted by the Company in the year 2016-17 which is as follows:

- The Company was incorporated on 20th January, 1968 and started its commercial production in 1972. The company has been paying dividend continuously since 1974 except for the year 2002-03 to 2006-07.
- Dividend pay-out is decided on the basis of macro-economic factors, expected future cash flows and future capital needs for expansion of production capacities of the company from time to time and keeping in view contingencies for meeting unforeseen financial obligation of the Company.

The Dividend Distribution policy is also available on the website of the Company at the web link: https://www.somanyceramics.com/pub/media/investorrelation/d/i/dividend_distribution_policy_scl.pdf

UTILISATION OF PROCEEDS ON ISSUE OF SHARES

Out of ₹11,999.97 Lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilized ₹1,849.97 Lakhs (including issue expenses of ₹307.34 Lakhs) for the purpose the funds were so raised and balance ₹10,150.00 Lakhs has been temporarily invested mainly in the debt instruments/funds.

PUBLIC DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

During the year, your Company increased equity stake in M/s. Sudha Somany Ceramics Private Limited from 51% to 60% on 1st May, 2018 and also acquired 51% stake in M/s Somany Bath Fittings Private Limited (formerly known as Karanjot Enterprises Private Limited) on 1st May, 2018 which is engaged in the business of manufacturing and selling of Bath Fittings items such as faucets, showers etc.

During the year, the Company divested its entire stake of 26% in M/s. Commander Vitrified Private Limited.

During the year, the Board of Directors reviewed the affairs of its subsidiaries and associates companies. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company, all its subsidiaries and associates companies, which forms part of this Annual Report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on Company's website <http://www.somanyceramics.com>. These documents will also be available for inspection at our registered office at 2, Red Cross Place, Kolkata - 700001, India between 3:00 p.m. and 5:00 p.m. in working days till the date of ensuing AGM.

The statement required under Section 134 of the Companies Act, 2013 in respect of the subsidiary companies, associates and joint venture is provided at **Annexure – 1** to this report, which comprises performance and financial position of each of subsidiaries, associates and joint venture.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All transactions entered with Related Parties during the financial year were on arm's length basis and were in the ordinary course of business. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2, is not required. Your directors

draw attention of the shareholders to the financial statements which set out related party disclosures.

Related Party Transactions Policy as approved by the Board has been uploaded on the Company's website www.somanyceramics.com at the web link: https://www.somanyceramics.com/pub/media/investorrelation/p/o/policy_related_party_revised_2019.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements (Standalone) forming a part of this annual report.

RISK MANAGEMENT

The Company has Risk Management Systems in place in accordance to Section 134(3)(n) of the Companies Act, 2013. Risk Management Policy of the Company is also in place and necessary steps have been taken from time to time to strengthen it further. The Risk Management process is followed to identify, assess and prioritise risks that need to be minimised, monitored and mitigated is quite elaborate. These measures help in reducing and controlling the impact of adverse events and maximise the realisation of opportunities. Major risks are identified systematically and mitigated on a continuous basis. A few of the identified risks pertain to competitive intensity and cost volatility.

In April 2019, while reviewing advance payment transaction of certain import vendors, few suspicious documents were noticed and on further scrutiny it was ascertained that an ex-employee, who was responsible for payment processing of certain imported trading goods, defalcated a sum of ₹ 1,585.82 Lakhs. He was working with the Company since May 2009. Your company has insured such defalcation risks under "Employee Dishonesty Insurance Policy". Further, necessary legal actions have been initiated and the matter is being investigated by law enforcement agencies.

Internal financial controls have been reviewed and operating effectiveness of financial controls around payment processing of such imported trading goods has been further strengthened.

INVESTOR EDUCATION & PROTECTION FUND (IEPF)

The Company is required to transfer dividends which remained unpaid/unclaimed for a period of seven years to the IEPF established by the Central Government. The unpaid/unclaimed dividend for the year ended 31st March, 2012 is due for transfer to IEPF on or after 14th October, 2019.

During the period under review, the Company transferred 43,170 Equity shares of ₹2/- each the dividends of which remained unclaimed for consecutive 7 years i.e. from 2010-11 to 2017-18, to Investor Education and

Protection Fund (IEPF) pursuant to Section 124 (6) of the Companies Act, 2013 within the scheduled time.

STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

In requirement of para 9 of revised Secretarial Standards on Board Meeting i.e. SS-1, your Directors states that they have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

AUDITORS' REPORT

All the items on which the Auditors' have commented in their report are self-explanatory and suitably explained in the Notes to the Accounts. The Auditors' Report to the Shareholders for the year under review does not contain any qualifications.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of the knowledge and belief of the Directors of the Company and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013.

- (a) In the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) The Directors' have selected such accounting policies, applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the year ended on that date.
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. Defalcation committed by an ex-employee, was ascertained, in April 2019. Your company has insured for such risks under "Employee Dishonesty Insurance Policy". Steps have been taken to further strengthen payment processing of certain imported vendors, area where the said defalcation was witnessed.
- (d) The Directors have prepared the annual accounts on a going concern basis.
- (e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CONSOLIDATED FINANCIAL RESULTS

As required by Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consolidated financial statements have been prepared in accordance with applicable Accounting Standards. The audited consolidated financial statements together with Auditors' Report forms part of this Annual Report.

The consolidated net profit of your Company was ₹4634.17 Lakhs in the year under review compared to ₹7044.42 Lakhs in the corresponding previous year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Abhishek Somany retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Mr. G.L. Sultania, Non-Executive Non Independent Director resigned from the directorship of the Company w.e.f 24th May, 2018.

Mr. R. K. Daga and Dr. Y. K. Alagh, Independent Directors of the Company ceased to be the directors of the Company w.e.f. 1st April, 2019, owing to attaining the age of 75 years. The Board places on record their contribution during their tenure of directorship of the Company.

Mr. Tuljaram Maheshwari, Chief Executive Officer and Key Managerial Personnel of the Company resigned from the Company w.e.f. 16th April, 2019.

During the period under review, the Company has appointed Mrs. Rumjhumi Chatterjee, as an Additional Director (Category as Independent) w. e. f. 1st September, 2018, Mr. Vineet Agarwal, as an Additional Director (Category as Independent) and Mr. Tuljaram Maheshwari, Additional Director (Non-Executive Non Independent) both with effect from 1st May, 2019 upon recommendation of Nomination and Remuneration Committee of Company, to hold the office until the date of ensuing Annual General Meeting of the Company.

Mrs. Rumjhumi Chatterjee, Mr. Vineet Agarwal and Mr. Tuljaram Maheshwari shall hold the office until the date of ensuing Annual General Meeting of the Company. The Company has received notices under Section 160 of the Companies Act, 2013 from the members signifying their intention to propose the appointment of Mrs. Rumjhumi Chatterjee, as an Independent Director, Mr. Vineet Agarwal, as an Independent Director and Mr. Tuljaram Maheshwari, Non-Executive Non-Independent director at the ensuing Annual General Meeting of the Company.

DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 evaluation is carried out by the Board, Nomination Remuneration Committee (NRC) and by the Independent Directors. The Board has carried out an annual performance evaluation of its own, individual Directors including Independent Directors (excluding the director being evaluated) and its Committees.

Board evaluation was carried out on the basis of questionnaire, prepared after considering various inputs received from the Directors, covering various aspects revealing the efficiency of the Board's functioning such as Development of suitable strategies and business plans, size, structure and expertise of the Board and their efforts to learn about the Company and its business, obligations and governance.

Performance evaluation of every Director was carried out by Board and Nomination & Remuneration Committee on parameters such as appropriateness of qualification, knowledge, skills and experience, time devoted to Board deliberations and participation level in board functioning, extent of diversity in the knowledge and related industry expertise, attendance and participations in the meetings and workings thereof and Initiative to maintain high level of integrity & ethics.

Independent Directors had carried out performance evaluation of Non-Independent Directors in their separate meeting, the Board as a whole and performance evaluation of Chairman was carried out, taking into account the views of Executive and Non-Executive Directors.

The performance of Committees was evaluated on parameters such as whether the Committees of the Board are appropriately constituted, Committees has an appropriate number of meetings each year to accomplish all of its responsibilities, Committees maintains the confidentiality of its discussions and decisions, Committee conducts a self-evaluation at least annually, Committee makes periodically reporting to the Board along with its suggestions and recommendations.

Independent Director's performance evaluation was carried out on parameters such as Director upholds ethical standards of integrity, the ability of the director to exercise objective and independent judgment in the best interest of Company, the level of confidentiality maintained. The Directors expressed their satisfaction with the evaluation process.

The Board found the evaluation satisfactory and no observations were raised during the said evaluation in current year as well as in previous year.

NOMINATION AND REMUNERATION POLICY

Your Company has formulated the nomination and remuneration policy for its Directors, Key Managerial Personnel and other Employees of the Company. This Policy sets out the guiding principles for Nomination and Remuneration Committee of the Company for recommending to the Board the remuneration of the directors, key managerial personnel, Senior Management and other employees of the Company.

The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, positive attributes, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board their appointment based upon the need of the Company.

Nomination and Remuneration policy covered the Nomination/appointment of Directors, Key Managerial Personnel and Senior Management and other employees of the Company, Remuneration to Directors and Key Managerial Personnel, Remuneration to Executive Directors and Key Managerial Personnel of the Company, Remuneration to Non-Executive Directors and Remuneration to Senior Management and other employees of the Company.

The Nomination and Remuneration policy is available for the stakeholders at the website of the Company at https://www.somanyceramics.com/pub/media/investorrelation/n/o/nomination_and_remuneration_policy_revised.pdf

MEETINGS OF THE BOARD

Five (5) meetings of the Board of Directors, Two (2) meetings of Nomination and Remuneration Committee, Four (4) meetings of Stakeholders Relationship Committee and Four (4) meetings of Audit Committee were held during the year under review, the details of which are given in the Corporate Governance Report forming part of this Annual Report.

AUDIT COMMITTEE

During the year under review, the Audit Committee comprised of six members namely Mr. Ratna Kumar Daga (Chairman), Dr. Yoginder Kumar Alagh, Mr. Salil Singhal, Mr. Siddharath Bindra Independent Directors of the Company and Mr. G. L. Sultania (ceased to be member w.e.f. 24th May, 2018) and Mr. G. G. Trivedi, non-executive non-independent directors of the Company.

Mr. R. K. Daga and Dr. Y. K. Alagh, Independent Directors of the Company ceased to be the directors of the Company w.e.f. 1st April, 2019.

The Audit Committee was reconstituted by the Board of Directors in their meeting held on 30th April, 2019 (w.e.f. 1st May, 2019) which comprised of Independent Directors namely Mr. Rameshwar Singh Thakur (Chairman), Mr. Salil Singhal, Mr. Siddharath Bindra, Mr. Vineet Agarwal and a non-independent director Mr. G. G. Trivedi.

All the recommendations made by the Audit Committee were accepted by the Board.

AUDITORS

M/s. Singhi & Co., Chartered Accountants, having Firm Registration No.302049E were appointed as Statutory Auditors of the Company for a period of 5 (Five) consecutive years at the 49th Annual General Meeting (AGM) held on 25th August, 2017, to hold office till the conclusion of the 54th AGM of the Company, subject to ratification of their appointment at every AGM, in terms of first proviso to Section 139 of the Companies Act, 2013, read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014.

Further, the members of the Company ratified the appointment of the Statutory Auditor for their remaining term of 4 consecutive years i.e. from the conclusion of the 50th Annual General Meeting till the conclusion of the 54th Annual General Meeting of the Company without any further ratification by the Members in terms of the provisions of the Companies Act, 2013 at the 50th Annual General Meeting of the Company.

SECRETARIAL AUDITOR AND THEIR REPORT

The Board had appointed M/s Pinchaa & Co., Company Secretaries having registration number P2016RJ051800 to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed and marked as Annexure – 2 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as Annexure–3 to this report and is also available in on the website of the Company at <https://www.somanyceramics.com/investor-relation?ajax=1&category=36>

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has formulated, developed and implemented a Corporate Social Responsibility Policy in terms of provisions of Section 135 of the Companies Act, 2013 read with Corporate Social Responsibility Policy Rules 2014 on recommendation of Corporate Social Responsibility Committee (CSR Committee) and approval of the Board of Directors of the Company. CSR Committee undertakes CSR activities in accordance

with its Corporate Social Responsibility Policy (CSR Policy) uploaded on the Company's website at www.somanyceramics.com at the weblink: <https://www.somanyceramics.com/pub/media/investorrelation/s/c/scl-corporate-social-responsibility-policy.pdf>

The CSR Committee comprises of four members namely Mr. Abhishek Somany, Managing Director is Chairman of the Committee and Mr. Salil Singhal, Mr. Siddharath Bindra and Mr. Ravinder Nath Independent Directors of the Company are other members of the Committee.

The CSR initiatives of the Company are implemented directly and through various trusts/ societies/ NGO's. The Company also carried out the CSR activities through a Section 8 Company under the Companies Act, 2013 incorporated under the name M/s H. L. Somany Foundation.

A major initiative of laying of Sewage Lines in the Village Kassar and joining it with the Sewage Treatment Plant (STP) will benefit the maximum number of households in the village Kassar, Bahadurgarh, Haryana.

Your company took initiatives to Promote Health Care, Sanitation, Skill Development, education, sustainable livelihood, women empowerment, infrastructure development and various other activities as per CSR Policy of the Company.

The 2% of the average net profit of the Company, made during the three immediately preceding financial years comes out to be ₹216.72 Lakhs. A report on CSR activities is provided at Annexure – 4 to this report.

INTERNAL CONTROL SYSTEMS

The Company has an Internal Control System, commensurate with the size, scale and complexity of operations.

The internal control is supplemented by the extensive programme of internal audits, review by management and by the Audit Committee, and documented Policies, SOPs, Guidelines and Procedures.

The Internal Audit monitors and evaluates the efficacy and adequacy of internal control system in the company, its compliance with operating systems, accounting procedures and policies at all locations of the company.

HUMAN RESOURCE (HR)

HR plays a distinctive role in integrating people potential with the business vision of Somany. At Somany, our People practices are guided by Somany's vision of creating an environment where talent can thrive and are able to deliver in line with the business goals. Considering evolving perspectives of customer and markets, we strive to keep our team abreast with latest knowledge and skill advancements, required to perform in changing dynamics. Thus, one of the key aspects of Human resource actions is

enabling employees to develop and excel in their current fields or take up new challenging roles within the organization. This is attainable by encouraging Internal job postings for internal, cross divisional talent mobility and ensuring skill enrichment through technology & content driven learning platforms like Somany Learning University and Somany E-Campus.

In alignment to the generational shift in workplaces and customer mindsets, we further sharpened our operating processes and policies by introducing new age approaches, simplifying complex work flows and unifying duplication. Our structured, engaging and fast-paced employee-interfaces have contributed significantly to attract, retain & develop talent from diversified backgrounds and industries. To nurture our wide range of talent pool, we have intensely focussed on anchoring Somany's legacy and values in our New-hire orientation programs. Our employee empowerment tool, like PACE has inculcated the values for time and promptitude and facilitated employee performance.

Building Human Resource systems that are agile and effective is an on-going process where we continue to lay emphasis on evolving our offering for employees to enhance performance at all levels in the organization.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has a continuous vigil mechanism in the form of Whistle Blower Policy in line with Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Section 177(9) of the Companies Act, 2013. The policy enables the stakeholders (including Directors and employees) to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

The Policy provides adequate safeguards against victimization of Director(s)/ employee(s) and enable direct access to the Chairman of the Audit Committee in exceptional cases. The protected disclosures, if any, reported under this Policy are appropriately and expeditiously investigated by the Chairman. The details of the Whistle Blower Policy is also explained in the Corporate Governance Report and is also available on the website of the Company at the weblink: https://www.somanyceramics.com/pub/media/investorrelation/s/c/scl_whistle_blower_policy-revised.pdf

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report forms integral part of this Annual Report.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, R&D, technology absorption,

foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is annexed as Annexure – 5 forming part of this Report.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided at Annexure – 6.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of employees and other particulars of the top ten employees and employees drawing remuneration in excess of the limits as provided in the said rules are set out in the Board's Report as an addendum thereto. However, in terms of provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report is being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

CORPORATE GOVERNANCE

Your Company has been following the principles and practices of good Corporate Governance. A separate report on Corporate Governance and a certificate from the Statutory Auditors confirming compliance with the Corporate Governance requirements forms part of this Director Report as Annexure – 7.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company continue to follow robust policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace.

The Company has a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013". The Internal Complaint Committee has been set up to redress the Complaints received regarding sexual harassment.

During the period under review, the Company has not received any complaint under this Policy.

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L40200WB1968PLC224116		
2.	Name of the Company	Somany Ceramics Limited		
3.	Registered address	2, Red Cross Place, Kolkata - 700 001		
4.	Website	www.somanyceramics.com		
5.	E-mail id	sclinvestors@somanytiles.co.in		
6.	Financial Year reported	1 st April, 2018 to 31 st March, 2019		
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Code as per NIC – 23929 - Ceramic/Vitrified Wall & Floor Tiles, Sanitaryware and Bath Fittings.		
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Ceramic/Vitrified Wall & Floor Tiles, Sanitaryware & Bath Fittings.		
9.	Total number of locations where business activity is undertaken by the Company	A	Number of International Locations	Nil
		B	Number of National Locations	
		i	Manufacturing locations	
			Own	2
			Subsidiaries/Associates/JVs	9
		ii	Sales Depot	8
		iii	Showrooms/ Display centres	322
		iv	Registered Office	1
		v	Corporate Office	1
10.	Markets served by the Company	Local	State	National
		✓	✓	✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	₹847.59 Lakhs
2.	Total Turnover	₹1,69,554.98 Lakhs
3.	Total profit after taxes	₹4,632.26 Lakhs.
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent ₹216.72 Lakhs (2% of the average net profit after taxes in the previous three financial year) towards CSR activities during the year.
5.	List of activities in which expenditure in 4 above has been incurred:-	<ul style="list-style-type: none"> • Youth Empowerment through Skill Development • Healthcare and Sanitation Programmes • Vocational Training • Women Empowerment • Promotion of Sports • Promoting Education including special education • Support to Charities/ NGOs • Eradicating hunger

SECTION C: OTHER DETAILS

Does the Company have any Subsidiary Company/ Companies?	The Company has nine subsidiaries and three Associates.
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	No direct participation. However, the Company encourages its subsidiaries to adopt its policies and practices.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: OTHER DETAILS

1. Details of Director/Directors responsible for BR

- a) Details of Director responsible for implementation of the BR policy/policies
 - 1. DIN : 00021423
 - 2. Name: Mr. Shreekant Somany
 - 3. Designation: Chairman and Managing Director

b) Details of the BR Head

S. No.	Particulars		Details
1.	DIN (if Applicable)	:	NA
2.	Name	:	Mr. Saikat Mukhopadhyay
3.	Designation	:	Chief Financial Officer
4.	Telephone number	:	0120-4627900
5.	E-mail id	:	saikat.mukhopadhyay@somanyceramics.com

2. Principle-wise (as per National Voluntary Guidelines) BR Policy/policies

a) Details of compliance (Reply in Y/N)

Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3 (P3)	Businesses should promote the well-being of all employees.
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5 (P5)	Businesses should respect and promote human rights
Principle 6 (P6)	Businesses should respect, protect, and make efforts to restore the environment.
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a) If answer to the question at serial number no. 1 against any principle is 'No', explain why: (Tick up to 2 options) : N/A

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The assessment is an ongoing activity and is an integral part of corporate functions.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Company publishes Business Responsibility (BR) Report on an annual basis and forms part of the Annual Report. This BR Report is also uploaded on the Company's website i.e www.somanyceramics.com.

SECTION E: PRINCIPLE- WISE PERFORMANCE

Principle 1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?

- Yes, The Company's policy relating to ethics, bribery and corruption serves as the guiding philosophy for all employees of the company as well as subsidiary companies.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

- During the year 07 complaints were received from the investors. All these investor's complaints were properly attended and necessary actions were taken. In addition, the company received customer complaints which were addressed suitably from time to time.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- a) Anti-Static tiles
- b) Temp Shield
- c) Training and Certification to Masons through Tile Master Programme.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Energy efficient process:

- (a) (1) During the period under review, Solar Plant generated more than 10 Lakhs units and optimised use of the renewable energy. (2) Conversion of high RPM motors with Low RPM motors and (3) Installation of LED lights (4) Installation of variable frequency drives in fans, blowers & pumps of kilns & cooling towers.

- (b) Energy efficient motors used in kilns & Horizontal Dryers to reduce electrical power consumption.

- (c) Saved energy consumption by reducing the maximum working air pressure of Air compressors.

- (d) **Industrial Effluent (Water):** Treatment of all effluents through ETP's to separate the water and solids. The Solid waste is used as a raw material in the process and water is reused in the process.

- (e) **Domestic Effluents:** The domestic effluent is treated through STP unit to remove all the impurities (COD & BOD) and to reuse the water in process. Sludge generated is used as a manure for gardening. Our Industry is zero water discharge.

- (f) **Process Waste:** All in-process wastes are recycled and re-used in process.

Further, the data regarding reduction during usage by consumers (energy, water) is not available with the company.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The sourcing practices of the Company are devised to achieve environmental sustainability, cost reduction and social interest. The criteria used for vendor selection including transportation are cost effective with high quality standard and are eco-friendly. The selection of the vendors is done on the principles of sustainability, it is always ensured that the vendors adopt best human resource practices and take care of global warming.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Company accords priority to local suppliers of goods and services. Company takes steps for capacity building of local and small vendors. Company's contractors who supply labour and transportation services for plant operations employ workmen from nearby communities. The training is provided to workforce for occupational health and safety.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company's product are Ceramics/Vitrified wall & floor tiles and the Company has taken steps to reuse or recycle the waste. For treatment of water effluents, the company has installed STP Plant/ ETP, 100% recycled water is used in the processes. Solid waste is used as a raw material in the process and ensured 100% recycled water used in the process (zero discharge).

Principle 3 - Businesses should promote the wellbeing of all employees.

- i. Please indicate the Total number of employees.

The total number of permanent employees are 2267 as on 31st March, 2019.

- ii. Please indicate the Total number of employees hired on temporary/ contractual/casual basis.

Total temporary/contractual/casual employees are 943 as on 31st March, 2019.

- iii. Please indicate the Number of permanent women employees.

There were 42 Permanent women employees as on 31st March, 2019.

- iv. Please indicate the Number of permanent employees with disabilities.

There was 1 permanent employee with disabilities as on 31st March, 2019.

- v. Do you have an employee association that is recognized by management?

No, there is no employee association which is recognized by Management.

- vi. What percentage of your permanent employees is members of this recognized employee association?

N.A

- vii. Please indicate the Number of complaints relating to child labour, forced labour, in voluntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No. of complaints filed during the financial year	No. of complaints Pending as on end of the financial year
1	Child labour/forced labour/involuntary	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

- viii. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

I	Permanent Employees	69.9%
II	Permanent Women Employees	76%
III	Causal/Temporary/Contractual Employees	62.68%
IV	Employees with Disabilities	100%

Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders? Yes/No
Yes.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?
Yes.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Our CSR approach focuses on the development of communities around the vicinity of our plants. We have also developed innovative programmes that leverage our capabilities as a tile manufacturer.

Our "Tile Master" initiative has cumulatively trained more than 3922 masons/workers on tile laying techniques and improved their productivity and livelihood.

Principle 5 - Business should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

The Policy on Human Rights covers the Company only. Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles stated in the policy.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the period under review, the Company has not received any complaint from any stakeholder except the investor complaints. The company also received customer complaints which were addressed suitably from time to time.

Principle 6 - Business should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The Policy on environment covers the Company only.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The Company has Environmental Policy which guides the organization to continually mitigate the impact on climate change and global warming as a result of our operations. The company works continuously to reduce the waste and is focused on creating green infrastructure which are designed for better energy efficiency and efficient operations.

3. Does the company identify and assess potential environmental risks? Y/N

Yes.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The locations of the Company are certified for requirements under ISO 14001 (Environmental System) and OHSAS 18001 (Occupational Health and Safety System). Audit by Independent Auditors are carried out to check the level of compliance.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The initiative taken by the Company are covered under the Directors' Report, which forms part of the Annual Report.

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Emissions and Waste generated by the company are within the permissible limits.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Company is member of following trade associations which make efforts towards sustainable business development -

- (a) Indian Council of Ceramic Tiles and Sanitary ware (ICCTAS)
- (b) Confederation of Indian Industry (CII)
- (c) PHD Chamber of Commerce
- (d) Merchant Chamber of Commerce and Industry

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company has represented through above associations from time to time for various economic and corporate governance issues in the interest of the Industry in general and Ceramic Industry in particular.

Principle 8 - Businesses should support inclusive growth and equitable development.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has taken a holistic approach towards the development of the deprived groups of the society. The Company work in the areas of education, vocational skills training and empowerment of women, development of children and health care and sanitation. To oversee implementation of various initiatives, Company has formed a Board Level Committee called Corporate Social Responsibility (CSR) Committee.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company undertakes various CSR projects either directly or

through CSR Foundation of the Company /registered trust and/or by making contribution to the NGOs undertaking CSR activities.

3. Have you done any impact assessment of your initiative?

The CSR programme and their impacts/outcomes are monitored and reviewed by the Committee.

4. What is your company's direct contribution to community development Projects-Amount in INR and the details of the projects undertaken?

The company has spent an amount of ₹216.72 Lakhs in various CSR activities during the year 2018-19. The details of the amount incurred on areas covered are given in Annexure to the report on Corporate Social Responsibility forming part of this Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Company has a process of engaging with local community to understand their concerns. The CSR interventions are carried out on a need based approach which is developed after consultations with the local community to ensure that the activities are adopted by them.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

The Company has an effective system for addressing customer complaints. The customer complaints filed against the Company for defects in the products of the Company are not significant in number compared with annual sales volume.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)

The Company displays all information as mandated by the regulations to ensure full compliance with relevant laws.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No, there is no case filed by any stakeholder during last five year regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

The Company has received awards for its contribution to the Industry, which represents customer satisfaction.

OTHER DISCLOSURES

I. There were no significant material orders passed by the Regulators / Courts during the financial year 2018-19 which would impact the going concern status of the Company and its future operations.

II. There were no significant material changes and commitments in terms of Section 134(3) (l) of the Companies Act, 2013, affecting the financial position of the Company.

III. The National Company Law Tribunal Kolkata Bench, (NCLT) vide its order dated 2nd April, 2019 in Company Scheme Application No. CA(CAA)No.1154/KB of 2018 ("Order") directed the Company to convene the meeting of Equity Shareholders, Secured creditor and unsecured creditor on 27th May, 2019 at Somany Conference Hall of Merchants' Chamber of Commerce & Industry, 15B, Hemant Basu Sarani, 2nd Floor, Kolkata 700 001, for the purpose of approving the scheme of amalgamation providing for the amalgamation of Bhilwara Holdings Limited ("BHL"), Sarvottam Vanijya Limited ("SVL") and Scope Vinimoy Private Limited ("SVPL") with Somany Ceramics Limited ("SCL").

ACKNOWLEDGEMENT

Your Directors acknowledge with sincere gratitude, the cooperation and help extended by all the stakeholders of your Company including its esteemed shareholders, government departments and agencies, financial institutions and banks, customers, vendors and employees.

For and on behalf of the Board

Place: New Delhi

Dated: 21st May, 2019

Shreekant Somany
Chairman and Managing Director

ANNEXURE – 1

Statement pursuant to Section 134 of the Companies Act, 2013

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint ventures

Part- A: Subsidiaries

(₹ in Lakhs)

Name of the Subsidiary companies	SR Continental Ltd.	Somany Bathware Ltd. (formerly known as Somany Global Limited)	Somany Excel Vitrified Pvt. Ltd.	Amora Tiles Pvt. Ltd.	Somany Fine Vitrified Pvt. Ltd.	Somany Sanitary Ware Pvt. Ltd.	Sudha Somany Ceramics Pvt. Ltd. (formerly known as Sudha Ceramics Pvt. Ltd.)	Amora Ceramics Pvt. Ltd.	Somany Bath Fittings Private Limited (formerly known as Karanjot Enterprises Private Limited)
Reporting period for the subsidiary concern, if different from the holding Company's reporting period					NA				
Date since when subsidiary was acquired	25 th June, 1979	26 th December, 2006	30 th October, 2015	29 th November, 2013	30 th May, 2015	1 st June, 2015	20 th September, 2017	30 th March, 2018	1 st May, 2018
Share Capital	18.50	50.00	251.00	1,040.00	1,731.00	990.00	900.00	900.00	185.91
Reserves & Surplus / (Accumulated Losses)	120.15	35.24	(21.34)	791.47	830.85	135.81	79.29	(187.08)	632.94
Total Assets	144.75	85.54	334.08	4,116.54	7,565.25	5,703.12	12,215.48	3,343.04	1,046.94
Total Liabilities (Excluding Share Capital & Reserves)	6.10	0.30	104.42	2,285.07	5,603.40	4,577.31	10,636.19	2,630.12	228.09
Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Turnover including other income	9.95	5.81	1.72	7,178.09	8,580.95	5,015.74	28.93	3,027.83	2,049.05
Profit / (Loss) before taxation	(6.68)	4.09	(4.07)	(295.13)	230.47	85.02	(222.98)	(239.68)	66.79
Provisions for taxation	0.32	0.79	-	(75.42)	65.41	23.29	(323.70)	(66.22)	18.58
Profit / (Loss) after taxation	(7.00)	3.30	(4.07)	(219.71)	165.06	61.73	100.72	(173.46)	48.21
Proposed Dividend	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	51%	51%	51%	60%	51%	51%

- Name of the Subsidiary which are yet to commence operations - Nil
- Name of the subsidiaries which have been liquidated or sold during the year - Nil

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of the associates/ joint ventures	Acer Granito Pvt. Ltd.	Vicon Ceramic Pvt. Ltd.	Vintage Tiles Pvt. Ltd.
Latest audited balance sheet date	31 st March, 2019	31 st March, 2019	31 st March, 2019
Date on which the Associate or Joint Ventures was associated or acquired	08 th March, 2014	26 th November, 2013	13 th January, 2012
Shares of associate/ joint ventures held by the Company at the year end	14,60,000	25,35,000	45,00,000
Amount of investment in associates/ joint venture (₹ in Lakhs)	511.00	252.50	1,399.50
Extend of Holding %	26.00%	26.00%	50.00%
Description of how there is significant influence	Section 2(6)	Section 2(6)	Section 2(6)
Reason why the associates/ joint venture is not consolidated	-	-	-
Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in Lakhs)	613.31	238.55	852.50
Profit/ Loss for the year (₹ in Lakhs)	159.77	89.86	84.84
a) Considered in Consolidation	159.77	89.86	84.84
b) Not considered in consolidation	-	-	-

- Name of the Associates or joint Venture which are yet to commence operations - Nil
- Name of the Associates or joint Venture which have been liquidated or sold during the year - Commander Vitrified Private Limited.

For and on behalf of the Board

Place: New Delhi

Dated: 21st May, 2019

Shreekant Somany
Chairman and Managing Director

ANNEXURE – 2

Form No.: MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2019

**{Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014}**

To
The Members,
Somany Ceramics Limited
(CIN: L40200WB1968PLC224116)
2, Red Cross Place,
Kolkata-700 001 (West Bengal)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Somany Ceramics Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Somany Ceramics Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct

Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the reporting period under audit)**

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the reporting period under audit)**;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the reporting period under audit)**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the reporting period under audit)**;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the reporting period under audit)** &

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the reporting period under audit)**
- (vi) As confirmed and certified by the management, there is no sectoral law specifically applicable to the Company based on their Sector/Business.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards on Board and General Meetings (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that, during the year under review:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, a system exists for seeking and obtaining further

information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board Meetings and Board Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of Board of Directors of the Company or committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Pincha & Co.

Company Secretaries
Firm's U.C.N. P2016RJ051800

Pradeep Pincha

Partner

M. No. FCS 5369
C. P. No.:4426

Dated: 7th May, 2019

Place: Jaipur

Annexure-A

To
The Members,
Somany Ceramics Limited
(CIN: L40200WB1968PLC224116)
2, Red Cross Place,
Kolkata-700 001 (West Bengal)

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management

representation about the compliance of laws, rules and regulations and happening of events etc. Based upon the representation given by the management of the Company, we further report that during the audit period no fraud by the Company has been noticed or reported. However, the Company has discovered defalcation of ₹1,585.82 Lakhs committed by an employee, responsible for payment processing of certain imported trading goods.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Pincha & Co.
Company Secretaries
Firm's U.C.N. P2016RJ051800

Pradeep Pincha
Partner
M. No. FCS 5369
C. P. No.:4426

Dated: 7th May, 2019

Place: Jaipur

ANNEXURE – 3

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on 31st March, 2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

Sl. No.	Particulars	Attachment
I	REGISTRATION AND OTHER DETAILS	
i.	CIN	L40200WB1968PLC224116
ii.	Registration Date	20 th January, 1968
iii.	Name of the Company	Somany Ceramics Limited
iv.	Category/ Sub-Category of the Company	Public Company/ Limited by Shares
v.	Address of the Registered office and contact details	2, Red Cross Place, Kolkata - 700 001, West Bengal. Tel: +91 33 22487406/5913 E-mail: ambrish.julka@somanyceramics.com Website: www.somanyceramics.com
vi.	Whether Listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent	Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5 th Floor Kolkata – 700 001 Phone No. 033-2243 5029/ 2248 2248 E-mail: mdpldc@yahoo.com
II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
	All the business activities contributing 10% or more of the total turnover of the Company shall be stated	As per Attachment 'A'
III	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	As per Attachment 'B'
IV	SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)	
i.	Category-wise Share Holding	As per Attachment 'C'
ii.	Shareholding of Promoters	As per Attachment 'D'
iii.	Change in Promoters' Shareholding	As per Attachment 'E'
iv.	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment 'F'
v.	Shareholding of Directors and Key Managerial Personnel	As per Attachment 'G'
V	INDEBTEDNESS	
	Indebtedness of the Company including interest outstanding/ accrued but not due for payment	As per Attachment 'H'
VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment 'I'
B.	Remuneration to other directors	As per Attachment 'J'
C.	Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment 'K'
VII	PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES	As per Attachment 'L'

ATTACHMENT - A**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company are given below:-

Sl. No.	Name and Description of main products/ services	NIC Code of the product/ service*	% to total turnover of the Company#
1	Ceramic/Vitrified Wall & Floor Tiles	23929	88.29%

* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

On the basis of Gross Turnover

ATTACHMENT - B**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable section
1	SR Continental Limited	82/19, Bhakerwara Road, Mundka, New Delhi-110041	U55101DL1979PLC317439	Subsidiary	100%	2(87)(ii)
2	Somany Bathware Limited (formerly known as Somany Global Limited)	82/19, Bhakerwara Road, Mundka, New Delhi-110041	U51909DL2006PLC156990	Subsidiary	100%	2(87)(ii)
3	Somany Excel Vitrified Private Limited	Dukya Complex, 1 st Floor, Near Gandhi Nagar Railway Station, Tonk Road, Jaipur- 302018, Rajasthan	U26955RJ2015PTC048537	Subsidiary	100%	2(87)(ii)
4	Amora Tiles Private Limited	SR No. 167/1P1, Sartanpar Road, Tal. Wankaner, Sartanpar, Rajkot-363622, Gujarat	U26933GJ2013PTC075379	Subsidiary	51%	2(87)(ii)
5	Somany Sanitary Ware Private Limited	S.No. 136 P1 & 138/3, Village Vaghasiya, Tal. Wankaner, Vaghasiya, Rajkot-363622, Gujarat	U26915GJ2012PTC070115	Subsidiary	51%	2(87)(ii)
6	Somany Fine Vitrified Private Limited	8 - A National Highway, Sartanpar, Matel Road, Taluka : Wankaner, Rajkot- 363621, Gujarat.	U26933GJ2011PTC063535	Subsidiary	51%	2(87)(ii)
7	Sudha Somany Ceramics Private Limited	D NO. 19-1-422/A, G Ragampeta Peddapuram East Godavari - 533437, Andhra Pradesh	U26960AP2015PTC097828	Subsidiary	60%	2(87)(ii)
8	Amora Ceramics Private Limited	Survey No. 147/1p2, Nr. Amora Tiles, Sartanpar Road, Tal. Wankaner, Dist. Morbi, Sartanpar Rajkot -363622, Gujarat	U26100GJ2017PTC099608	Subsidiary	51%	2(87)(ii)
9	Somany Bath Fittings Private Limited (formerly known as Karanjot Enterprises Private Limited)	House No-3038, Sector-20/D, Chandigarh-160020	U26999CH2017PTC041478	Subsidiary	51%	2(87)(ii)
10	Acer Granito Private Limited	Survey No. 641/P-1, B/H Regency Sanitaryware, Lakdhirpur Road, Tal. Morbi Ghuntu-363642, Gujarat	U26914GJ2008PTC053525	Associate	26%	2(6)

Sl. No.	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable section
11	Vicon Ceramic Private Limited	S.No. 154/P2, B/H Vivanta Ceramic, Tal. Morbi, Bela Rangpar, Rajkot-363642, Gujarat	U26933GJ2013PTC075377	Associate	26%	2(6)
12	Vintage Tiles Private Limited	Survey No. 56, Nazar Baug Road, Behind Science College, Morbi-363642, Gujarat	U26933GJ2010PTC062196	Associate	50%	2(6)
13	H. L. Somany Foundation*	82/19, Bhakedwara Road, Mundka, New Delhi-110041	U7140DL2015NPL27739	Subsidiary	-	-

*A Section 8 Company incorporated under the Companies Act, 2013 (Company limited by guarantee)

ATTACHMENT-C

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year, i.e. 01.04.2018				No. of Shares held at the end of the year, i.e. 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Alternate Investment Funds	2,70,992	-	2,70,992	0.64	-	-	-	0.00	(0.64)
Foreign Portfolio Investors	17,70,096	-	17,70,096	4.18	19,42,035	-	19,42,035	4.58	0.41
Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	1,08,45,752	8,030	1,08,53,782	25.61	1,16,99,525	8,030	1,17,07,555	27.63	2.01
2. Non-institutions									
Bodies Corporate									
Indian	23,95,342	32,260	24,27,602	5.73	13,70,870	32,250	14,03,120	3.31	(2.42)
Overseas	10,70,108	-	10,70,108	2.53	-	-	-	0.00	(2.53)
Individuals									
Individual shareholders holding nominal share capital upto ₹1 Lakh	30,76,128	3,88,145	34,64,273	8.17	34,85,974	2,79,295	37,65,269	8.88	0.71
Individual shareholders holding nominal share capital in excess of ₹1 Lakh	24,49,741	-	24,49,741	5.78	22,63,713	-	22,63,713	5.34	(0.44)
Others (Specify)									
Non-Resident Indians	1,00,106	-	1,00,106	0.24	11,99,765	-	11,99,765	2.83	2.59
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	46,864	-	46,864	0.11	40,757	-	40,757	0.10	(0.01)
Trusts	21,351	-	21,351	0.05	488	-	488	0.00	(0.05)
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	0.00	10,000	-	10,000	(0.02)	(0.02)
NBFCs registered with RBI	150	-	150	0.00	140	-	140	0.00	(0.00)
Employee Trusts	-	-	-	-	-	-	-	-	-
Domestic Corporate	-	-	-	-	-	-	-	-	-
Unclaimed Shares Account									
Investor Education and Protection Fund Authority	1,06,089	-	1,06,089	0.25	1,49,259	-	1,49,259	0.35	0.10
Sub-total(B)(2):-	92,65,879	4,20,405	96,86,284	22.86	85,20,966	3,11,545	88,32,511	20.84	(2.01)
Total Public Shareholding (B)=(B)(1)+(B)(2)	2,01,11,631	4,28,435	2,05,40,066	48.47	2,02,20,491	3,19,575	2,05,40,066	48.47	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4,19,50,991	4,28,435	4,23,79,426	100.00	4,20,59,851	3,19,575	4,23,79,426	100.00	0.00

ATTACHMENT- D**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(ii) Shareholding of Promoters**

Shareholder's Name	No. of Shares held at the beginning of the year, i.e. 01.04.2018			No. of Shares held at the end of the year, i.e. 31.03.2019			% Change in Shareholding during the year
	No. of Shares	% of total Shares of the Company	% Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% Shares Pledged / encumbered to total shares	
1 BHILWARA HOLDINGS LIMITED	92,02,200	21.71	0.00	92,02,200	21.71	0.00	0.00
2 SARVOTTAM VANIJYA LIMITED	63,32,500	14.94	0.00	63,32,500	14.94	0.00	0.00
3 SCOPE VINIMOIY PRIVATE LIMITED	35,52,500	8.38	0.00	35,52,500	8.38	0.00	0.00
4 SHRIVATSA SOMANY	13,21,370	3.12	0.00	13,21,370	3.12	0.00	0.00
5 MINAL SOMANY	6,25,900	1.48	0.00	6,25,900	1.48	0.00	0.00
6 SHREEKANT SOMANY	4,29,740	1.01	0.00	4,29,740	1.01	0.00	0.00
7 ANUSHREE CHOPRA	1,50,000	0.35	0.00	1,50,000	0.35	0.00	0.00
8 ANJANA SOMANY	94,150	0.22	0.00	94,150	0.22	0.00	0.00
9 ABHISHEK SOMANY	85,500	0.20	0.00	85,500	0.20	0.00	0.00
10 SHREEKANT SOMANY (HUF)	45,500	0.11	0.00	45,500	0.11	0.00	0.00
Total	2,18,39,360	51.53	0.00	2,18,39,360	51.53	0.00	0.00

ATTACHMENT- E**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****iii) Changes in Promoters' Shareholding**

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2018		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	BHILWARA HOLDINGS LIMITED				
	Beginning of the year	92,02,200	21.71		
	End of the year			92,02,200	21.71
2	SARVOTTAM VANIJYA LIMITED				
	Beginning of the year	63,32,500	14.94		
	End of the year			63,32,500	14.94
3	MINAL SOMANY				
	Beginning of the year	6,25,900	1.48		
	End of the year			6,25,900	1.48
4	SHREEKANT SOMANY (HUF)				
	Beginning of the year	45,500	0.11		
	End of the year			45,500	0.11
5	SCOPE VINIMOIY PRIVATE LIMITED				
	Beginning of the year	35,52,500	8.38		
	End of the year			35,52,500	8.38

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2018		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6	SHREEKANT SOMANY				
	Beginning of the year	4,29,740	1.01		
	End of the year			4,29,740	1.01
7	ABHISHEK SOMANY				
	Beginning of the year	85,500	0.20		
	End of the year			85,500	0.20
8	ANUSHREE CHOPRA				
	Beginning of the year	1,50,000	0.35		
	End of the year			1,50,000	0.35
9	ANJANA SOMANY				
	Beginning of the year	94,150	0.22		
	End of the year			94,150	0.22
10	SHRIVATSA SOMANY				
	Beginning of the year	13,21,370	3.12		
	End of the year			13,21,370	3.12

ATTACHMENT- F**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2018		Cumulative Shareholding during the year and at the close of the year on 31.03.2019	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	FRANKLIN INDIA SMALLER COMPANIES FUND				
	Beginning of the year	20,12,986	4.75		
	04-05-2018 - Purchase	59,105	0.14	20,72,091	4.89
	13-07-2018 - Purchase	5,28,000	1.25	26,00,091	6.14
	27-07-2018 - Purchase	4,85,647	1.15	30,85,738	7.28
	31-08-2018 - Sale	6,534	0.02	30,79,204	7.27
	07-09-2018 - Purchase	14,353	0.03	30,93,557	7.30
	14-09-2018 - Purchase	2,00,000	0.47	32,93,557	7.77
	21-09-2018 - Purchase	2,00,000	0.47	34,93,557	8.24
	28-09-2018 - Sale	1,18,177	0.28	33,75,380	7.96
	02-11-2018 - Purchase	5,08,841	1.20	38,84,221	9.17
	09-11-2018 - Sale	98,430	0.23	37,85,791	8.92
	16-11-2018 - Purchase	1,16,589	0.27	39,02,380	9.20
	30-11-2018 - Sale	70,595	0.17	38,31,785	9.04
	14-12-2018 - Sale	81,785	0.19	37,50,000	8.85
	End of the year			37,50,000	8.85

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2018		Cumulative Shareholding during the year and at the close of the year on 31.03.2019	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2	L AND T MUTUAL FUND TRUSTEE LIMITED - L AND T HYBRID EQUITY FUND				
	Beginning of the Year	18,20,176	4.30		
	06-04-2018 – Purchase	34,044	0.08	18,54,220	4.38
	11-05-2018 - Sale	50,000	0.12	18,04,220	4.26
	08-06-2018 - Purchase	4,156	0.01	18,08,376	4.27
	15-06-2018 - Purchase	8,410	0.02	18,16,786	4.29
	22-06-2018 - Purchase	2,175	0.01	18,18,961	4.29
	29-06-2018 - Purchase	23,000	0.05	18,41,961	4.35
	06-07-2018 - Purchase	8,000	0.02	18,49,961	4.37
	13-07-2018 - Purchase	18,868	0.04	18,68,829	4.41
	20-07-2018 - Purchase	4,476	0.01	18,73,305	4.42
	03-08-2018 - Purchase	6,750	0.02	18,80,055	4.44
	21-09-2018 - Sale	40,813	0.10	18,39,242	4.34
	18-01-2019 - Purchase	96,408	0.23	19,35,650	4.57
	25-01-2019 - Purchase	3,592	0.01	19,39,242	4.58
	01-02-2019 - Purchase	35,629	0.08	19,74,871	4.66
	08-02-2019 - Purchase	1,34,564	0.32	21,09,435	4.98
	22-02-2019 - Purchase	25,257	0.06	21,34,692	5.04
	01-03-2019 - Purchase	81,627	0.19	22,16,319	5.23
	08-03-2019 - Purchase	77,732	0.18	22,94,051	5.41
	15-03-2019 - Purchase	972	0.00	22,95,023	5.42
	22-03-2019 - Purchase	14,028	0.03	23,09,051	5.45
	29-03-2019 - Purchase	19,539	0.05	23,28,590	5.49
	End of the year			23,28,590	5.49
3	DSP BLACKROCK MIDCAP FUND				
	Beginning of the Year	23,85,414	5.63		
	13-04-2018 - Sale	90,752	0.21	22,94,662	5.41
	27-04-2018 - Sale	81,129	0.19	22,13,533	5.22
	11-05-2018 - Sale	50,000	0.12	21,63,533	5.11
	18-05-2018 - Sale	1,45,000	0.34	20,18,533	4.76
	15-06-2018 - Sale	1,00,000	0.24	19,18,533	4.53
	29-06-2018 - Sale	7,168	0.02	19,11,365	4.51
	06-07-2018 - Sale	23,122	0.05	18,88,243	4.46
	13-07-2018 - Sale	4,18,650	0.99	14,69,593	3.47
	End of the Year			14,69,593	3.47
4	SURYA KUMAR JHUNJHNUWALA *				
	Beginning of the year	0	0.00		
	21-09-2018 - Purchase	1,65,000	0.39	1,65,000	0.39
	26-10-2018 - Purchase	2,07,000	0.49	3,72,000	0.88
	30-11-2018 - Purchase	2,43,000	0.57	6,15,000	1.45
	21-12-2018 - Purchase	2,31,000	0.55	8,46,000	2.00
	11-01-2019 - Purchase	2,11,000	0.50	10,57,000	2.49
	25-01-2019 – Purchase	13,108	0.03	10,70,108	2.53
	End of the year			10,70,108	2.53

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2018		Cumulative Shareholding during the year and at the close of the year on 31.03.2019	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A-C ADITYA BIRLA SUN LIFE BALANCED				
	Beginning of the year	10,63,246	2.51		
	06-04-2018 - Purchase	32,000	0.08	10,95,246	2.58
	29-06-2018 - Sale	75,000	0.18	10,20,246	2.41
	24-08-2018 - Sale	22,600	0.05	9,97,646	2.35
	31-08-2018 - Sale	3,800	0.01	9,93,846	2.35
	07-09-2018 - Sale	9,600	0.02	9,84,246	2.32
	14-09-2018 - Sale	17,666	0.04	9,66,580	2.28
	21-09-2018 - Sale	51,720	0.12	9,14,860	2.16
	05-10-2018 - Sale	1,700	0.00	9,13,160	2.15
	12-10-2018 - Purchase	1,000	0.00	9,14,160	2.16
	26-10-2018 - Sale	150	0.00	9,14,010	2.16
	09-11-2018 - Sale	61,000	0.14	8,53,010	2.01
	30-11-2018 - Purchase	50,000	0.12	9,03,010	2.13
	07-12-2018 - Sale	4,000	0.01	8,99,010	2.12
	15-03-2019 - Purchase	38,100	0.09	9,37,110	2.21
	End of the Year			9,37,110	2.21
6	HSBC MULTICAP EQUITY FUND*				
	Beginning of the year	1,83,796	0.43		
	01-06-2018 - Purchase	1,65,000	0.39	3,48,796	0.82
	31-08-2018 - Sale	6,615	0.02	3,42,181	0.81
	07-09-2018 - Sale	18,385	0.04	3,23,796	0.76
	26-10-2018 - Purchase	89,308	0.21	4,13,104	0.97
	02-11-2018 - Purchase	35,692	0.08	4,48,796	1.06
	16-11-2018 - Purchase	50,000	0.12	4,98,796	1.18
	07-12-2018 - Purchase	50,000	0.12	5,48,796	1.30
	14-12-2018 - Purchase	10,000	0.02	5,58,796	1.32
	04-01-2019 - Purchase	10,000	0.02	5,68,796	1.34
	11-01-2019 - Purchase	1,00,000	0.24	6,68,796	1.58
	End of the year			6,68,796	1.58
7	UTI - LONG TERM ADVANTAGE FUND SERIES VI *				
	Beginning of the year	46,908	0.11		
	27-04-2018 - Sale	2,321	0.01	44,587	0.11
	04-05-2018 – Sale	44,587	0.11	0	0.00
	15-06-2018 - Purchase	1,82,700	0.43	1,82,700	0.43
	03-08-2018 - Purchase	7,017	0.02	1,89,717	0.45
	10-08-2018 - Purchase	17,213	0.04	2,06,930	0.49
	28-09-2018 - Purchase	14,224	0.03	2,21,154	0.52
	08-02-2019 - Purchase	2,78,595	0.66	4,99,749	1.18
	22-02-2019 - Purchase	22,129	0.05	5,21,878	1.23
	End of the Year			5,21,878	1.23

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2018		Cumulative Shareholding during the year and at the close of the year on 31.03.2019	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8	WASATCH EMERGING INDIA FUND				
	Beginning of the year	4,10,894	0.97		
	27/04/2018 - Purchase	4,669	0.01	4,15,563	0.98
	18/05/2018 - Purchase	1,44,512	0.34	5,60,075	1.32
	08/06/2018 - Sale	15,702	0.04	5,44,373	1.28
	24/08/2018 - Sale	10,100	0.02	5,34,273	1.26
	21/09/2018 - Sale	3,626	0.01	5,30,647	1.25
	12/10/2018 - Sale	17,006	0.04	5,13,641	1.21
	23/11/2018 - Sale	3,030	0.01	5,10,611	1.20
	End of the Year			5,10,611	1.20
9	ALQUITY SICAV - ALQUITY INDIAN SUBCONTINENT FUND *				
	Beginning of the year	2,80,951	0.66		
	06-04-2018 - Purchase	21,995	0.05	3,02,946	0.71
	13-04-2018 - Purchase	21,363	0.05	3,24,309	0.77
	04-05-2018 - Purchase	31,012	0.07	3,55,321	0.84
	08-06-2018 - Purchase	25,029	0.06	3,80,350	0.90
	07-12-2018 - Purchase	61,023	0.14	4,41,373	1.04
	14-12-2018 - Purchase	16,513	0.04	4,57,886	1.08
	15-02-2019 - Purchase	8,944	0.02	4,66,830	1.10
	End of the year			4,66,830	1.10
10	SANJEEV VINODCHANDRA PAREKH				
	Beginning of the Year	3,73,676	0.88		
	16-11-2018 - Purchase	69,847	0.16	4,43,523	1.05
	End of the year			4,43,523	1.05
11	KIRTIVARDHAN FINVEST SERVICES LIMITED #				
	Beginning of the year	4,33,795	1.02		
	End of the year			4,33,795	1.02
12	KOTAK MAHINDRA LIFE INSURANCE COMPANY LTD. #				
	Beginning of the year	12,46,818	2.94		
	06-04-2018 - Purchase	24,391	0.06	12,71,209	3.00
	13-04-2018 - Purchase	94,000	0.22	13,65,209	3.22
	11-05-2018 - Sale	1,030	0.00	13,64,179	3.22
	18-05-2018 - Purchase	1,00,000	0.24	14,64,179	3.45
	06-07-2018 - Purchase	40,901	0.10	15,05,080	3.55
	03-08-2018 - Sale	17,213	0.04	14,87,867	3.51
	10-08-2018 - Sale	68,677	0.16	14,19,190	3.35
	31-08-2018 - Sale	10,276	0.02	14,08,914	3.32
	07-09-2018 - Sale	2,647	0.01	14,06,267	3.32
	14-09-2018 - Sale	12,397	0.03	13,93,870	3.29
	26-10-2018 - Sale	2,27,996	0.54	11,65,874	2.75
	02-11-2018 - Sale	1,71,815	0.41	9,94,059	2.35
	09-11-2018 - Sale	8,872	0.02	9,85,187	2.32
	16-11-2018 - Sale	41,680	0.10	9,43,507	2.22

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2018		Cumulative Shareholding during the year and at the close of the year on 31.03.2019	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
23-11-2018 - Sale		15,534	0.04	9,27,973	2.19
30-11-2018 – Sale		95,327	0.22	8,32,646	1.96
07-12-2018 - Sale		41,539	0.10	7,91,107	1.87
14-12-2018 - Sale		85,776	0.20	7,05,331	1.66
21-12-2018 - Sale		61,164	0.14	6,44,167	1.52
28-12-2018 - Sale		51,516	0.12	5,92,651	1.40
31-12-2018 - Sale		10,000	0.02	5,82,651	1.37
04-01-2019 - Sale		66,607	0.16	5,16,044	1.22
11-01-2019 - Sale		65,000	0.15	4,51,044	1.06
18-01-2019 - Sale		35,000	0.08	4,16,044	0.98
25-01-2019 - Sale		27,235	0.06	3,88,809	0.92
01-02-2019 - Sale		25,000	0.06	3,63,809	0.86
08-02-2019 - Sale		25,000	0.06	3,38,809	0.80
15-02-2019 - Sale		17,058	0.04	3,21,751	0.76
22-02-2019 - Sale		25,000	0.06	2,96,751	0.70
01-03-2019 - Sale		25,000	0.06	2,71,751	0.64
08-03-2019 - Sale		20,000	0.05	2,51,751	0.59
15-03-2019 - Sale		25,000	0.06	2,26,751	0.54
22-03-2019 – Sale		20,000	0.05	2,06,751	0.49
29-03-2019 - Sale		25,000	0.06	1,81,751	0.43
End of the year				1,81,751	0.43
13 HIND STRATEGIC INVESTMENTS #					
Beginning of the year		10,70,108	2.53		
21-09-2018 - Sale		1,65,000	0.39	9,05,108	2.14
26-10-2018 - Sale		2,07,000	0.49	6,98,108	1.65
30-11-2018 - Sale		2,43,000	0.57	4,55,108	1.07
21-12-2018 - Sale		2,31,000	0.55	2,24,108	0.53
11-01-2019 - Sale		2,11,000	0.50	13,108	0.03
25-01-2019 – Sale		13,108	0.03	0	0.00
End of the year				0	0
14 TATA MID CAP GROWTH FUND #					
Beginning of the year		6,72,424	1.59		
06-04-2018 - Purchase		20,000	0.05	6,92,424	1.63
13-07-2018 - Sale		1,26,405	0.30	5,66,019	1.34
27-07-2018 - Sale		2,88,669	0.68	2,77,350	0.65
14-12-2018 - Purchase		80,000	0.19	3,57,350	0.84
18-01-2019 - Sale		92,000	0.22	2,65,350	0.63
08-02-2019 - Sale		2,65,350	0.63	0	0.00
End of the year				0	0

Note:

* Not in the list of Top 10 shareholders as on 01/04/2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.

Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.

ATTACHMENT- G**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1 st April, 2018 to 31 st March, 2019)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total shares of the Company
A Directors								
1	Mr. Shreekanth Somany	4,29,740	1.01	-	-	-	4,29,740	1.01
2	Mr. Abhishek Somany	85,500	0.20	-	-	-	85,500	0.20
3	Mrs. Anjana Somany	94,150	0.22	-	-	-	94,150	0.22
4	Mr. G.L. Sultania*	1,250	0.00	-	-	-	-	-
5	Mr. Ratna Kumar Daga	5,000	0.01	-	-	-	-	-
				06-04-2018	289	Purchase	5,289	0.01
				13-04-2018	289	Sale	5,000	0.01
							5,000	0.01
6.	Mr. Salil Singhal	-	-	-	-	-	-	-
7.	Mr. Ravinder Nath	-	-	-	-	-	-	-
8.	Dr. Y.K. Alagh	-	-	-	-	-	-	-
9.	Mr. Siddharath Bindra	2,000	0.00					
				17-08-2018	5000	Purchase	7,000	0.02
				23-08-2018	14000	Purchase	21,000	0.05
				07-09-2018	6000	Purchase	27,000	0.06
							27,000	0.06
10.	Mr. G. G. Trivedi	2,000	0.00	-	-	-	2,000	0.00
11.	Mr. Rameshwar Singh Thakur	-	-	-	-	-	-	-
12.	Smt. Rumjhumi Chatterjee	-	-	-	-	-	-	-
B Key Managerial Personnel (KMP's)								
1.	Mr. T.R. Maheshwari	-	-	-	-	-	-	-
2.	Mr. Saikat Mukhopadhyay	-	-	-	-	-	-	-
3.	Mr. Ambrish Julka	-	-	-	-	-	-	-

* Mr. G. L. Sultania resigned from the directorship of the company w.e.f. 24th May, 2018.

ATTACHMENT- H**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	22,041.61	6,824.81	-	28,866.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	39.21	-	-	39.21
Total (i+ii+iii)	22,080.82	6,824.81	-	28,905.63

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
• Addition	4,192.35	3,151.41	-	7,343.76
• Reduction	7,851.20	-	-	7,851.20
Net Change	(3,658.85)	3,151.41	-	(507.44)
Indebtedness at the end of the financial year				
i) Principal Amount	18,421.97	9,976.22	-	28,398.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	18,421.97	9,976.22	-	28,398.19

ATTACHMENT- I**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Mr. Shreekant Somany	Mr. Abhishek Somany	Mrs. Anjana Somany	
1	Gross salary				
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	258.00	306.43	24.00	588.43
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	10.20	12.10	0.02	22.32
(c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission (as % of profit)	45.80	-	-	45.80
5	PF Contribution	28.08	28.44	2.88	59.40
	Total (A)	342.08	346.97	26.90	715.95
	Ceiling as per the Act	(Being 10% of Net Profit of ₹7187.68 Lakhs of the Company calculated as per Section 198 of the Companies Act, 2013)			

ATTACHMENT- J**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors									Total Amount
		Mr. R.K. Daga	Mr. G. L. Sultania*	Mr. Salil Singhal	Mr. Ravinder Nath	Dr. Y. K. Alagh	Mr. Siddharath Bindra	Mr. G. G. Trivedi	Mr. Rameshwar Singh Thakur**	Mrs. Rumjhumi Chatterjee***	
1	Independent Directors										
a.	Fee for attending Board / Committee Meetings	1,15,000	-	75,000	55,000	45,000	90,000	-	30,000	15,000	4,25,000
b.	Commission	5,00,000	-	5,00,000	5,00,000	5,00,000	5,00,000	-	4,27,397	2,90,411	32,17,808
c.	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (1)	6,15,000	-	5,75,000	5,55,000	5,45,000	5,90,000	-	4,57,397	3,05,411	36,42,808

Sl. No.	Particulars of Remuneration	Name of Directors									Total Amount
		Mr. R.K. Daga	Mr. G. L. Sultania*	Mr. Salil Singhal	Mr. Ravinder Nath	Dr. Y. K. Alagh	Mr. Siddharath Bindra	Mr. G. G. Trivedi	Mr. Rameshwar Singh Thakur**	Mrs. Rumjhumi Chatterjee***	
2	Other Non-Executive Directors										
a.	Fee for attending Board / Committee Meetings	-	30,000	-	-	-	-	1,00,000	-	-	1,30,000
b.	Commission	-	73,973	-	-	-	-	5,00,000	-	-	5,73,973
c.	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (2)		1,03,973	-	-	-	-	6,00,000	-	-	7,03,973
	Total (B)=(1+2)	6,15,000	1,03,973	5,75,000	5,55,000	5,45,000	5,90,000	6,00,000	4,57,397	3,05,411	43,46,781
	Total Managerial Remuneration	6,15,000	1,03,973	5,75,000	5,55,000	5,45,000	5,90,000	6,00,000	4,57,397	3,05,411	43,46,781
	Overall Ceiling as per the Act	(Being 1% of Net Profits ₹7187.68 Lakhs of the Company calculated as per Section 198 of the Companies Act, 2013 to each Non-Executive Director of the Company) as per resolution passed by Members at AGM held on 30.08.2018.									

*Mr. G. L. Sultania resigned from the directorship of the Company w.e.f. 24th May, 2018.

** Mr. Rameshwar Singh Thakur was appointed as Independent Director of the Company w.e.f. 24th May, 2018.

*** Mrs. Rumjhumi Chatterjee was appointed as an Additional Director (Category as Independent) of the Company w.e.f. 1st September, 2018.

ATTACHMENT- K

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. T. R. Maheshwari	Mr. Saikat Mukhopadhyay	Mr. Ambrish Julka	
1	Gross salary	01.04.2018- 31.03.2019	01.04.2018- 31.03.2019	01.04.2018- 31.03.2019	
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	106.28	96.48	25.87	228.63
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3.10	0.40	0.32	3.82
(c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission (as % of profit)	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	PF Contribution	5.83	5.76	1.46	13.05
	Total (A)	115.21	102.64	27.65	245.50

ATTACHMENT- L

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishments/ or any compounding of offences during the financial year 2018-19.

ANNEXURE – 4

REPORT ON CSR ACTIVITIES OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2019

A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programs

Your Company have always laid emphasis on progress with social commitment. Your company believe strongly in core values of empowerment and betterment of not only the employees but also of communities, giving preference to the local areas around the business operations. Your Company shall continue to make a meaningful and measurable impact in nation building, sustainable development, accelerated inclusive growth and social equity through its CSR initiatives. The targeted beneficiaries of CSR activities undertaken by your Company shall be for marginalized, disadvantaged, poor or deprived sections of the communities.

Your Company carried out the CSR activities either directly or through H.L Somany Foundation, a section 8 Company under the Companies Act, 2013. During the year, your company directly/through H.L Somany Foundation undertook several CSR initiatives for Promoting Health Care including preventive health care and Sanitation, Skill Development, education, sustainable livelihood, women empowerment, infrastructure development, Eradicating hunger and various other activities as per CSR Policy of the Company.

The web link to the Contents of the CSR Policy is <https://www.somanyceramics.com/investor-relation>

2. Composition of the Committee:
 - Mr. Abhishek Somany (Chairman)
 - Mr. Salil Singhal (Member)
 - Mr. Ravinder Nath (Member)
 - Mr. Siddharath Bindra (Member)
3. Avg. Net Profit of the Company for Last three financial years: ₹10,836.20 Lakhs
4. CSR Expenditure (2% of the amount as in item 3 above): ₹216.72 Lakhs
5. CSR spent during the financial year 2018-19:

a)	Total amount to be spent for the financial year 2018-19;	₹216.72 Lakhs
b)	Amount unspent	Nil

c) Manner in which the amount spent during the financial year:

(₹ in Lakhs)

1	2	3	4	5	6		7	8
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local Area or other (2) specify the state & District where projects or programmes was undertaken	Amount outlay (budget) project or programme wise in Lakhs	Amount spent on the projects or program sub-heads: 1) Direct expenditure on projects or programmes (2) overheads: Direct (1) Overheads (2) *		Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency.
1.	Muscular Dystrophy Rehabilitation Centre	Promoting health care including preventive health care	Solan (Himachal Pradesh)	6.00	6.00	--	6.00	Direct
2.	Training to Mason	Skill Development	Delhi/Haryana/Uttarpradesh/Himachal/Gujarat/Rajasthan	4.00	3.93	--	3.93	Direct
3.	To establish, run, promote, construct and run Schools, Colleges and Educational Institutions etc.	Promoting Education	New Delhi	4.25	4.25	--	4.25	Through H.L Somany Foundation
4.	Quality education programme and upgradation of infrastructure in Government Schools.	Promoting Education	Hisar (Haryana)	18.27	18.27	--	18.27	Through H. L Somany Foundation
5.	Building emotional intelligence using expressive arts and Psychodrama Therapy with Children in Conflict with Law.	Promoting Education, including special education	New Delhi	5.00	5.00	--	5.00	Through H.L Somany Foundation
6.	Feeding the hungry	Eradicating Hunger	New Delhi	0.50	0.50	--	0.50	Through H.L Somany Foundation
7.	Promoting Education	Promoting Education	New Delhi, Haryana	55.00	55.00	--	55.00	Through H.L Somany Foundation

(₹ in Lakhs)

1	2	3	4	5	6		7	8
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local Area or other (2) specify the state & District where projects or programmes was undertaken	Amount outlay (budget) project or programme wise in Lakhs	Amount spent on the projects or program sub-heads: 1) Direct expenditure on projects or programmes (2) overheads:	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency.	
					Direct (1)	Overheads (2)*		
8.	a) Youth Empowerment through Skill Development; b) Quality Healthcare; c) Sports for Development;	Promoting healthcare preventive healthcare, promoting education, including special education, training to promote rural sports.	Mehsana, Gujarat	57.61	57.61	--	57.61	Through H.L Somany Foundation
9.	Promoting Healthcare Preventing Healthcare and Sanitation	Promoting Healthcare Preventing Healthcare and Sanitation.	Jhajjar, Haryana	64.00	63.96	--	63.96	Through H.L Somany Foundation
10.	Overheads*	Overheads*		2.20	--	2.20	2.20	Through H.L Somany Foundation
Total				216.83	214.52	2.20	216.72	

* Overhead means administrative costs of H. L. Somany Foundation.

We hereby affirm that the implementation and monitoring of CSR policy is in compliance with CSR objectives & policy of the Company.

Place: New Delhi
Date : 21st May, 2019

Shreekant Somany
Chairman and Managing Director

Abhishek Somany
Managing Director and
Chairman of the Company CSR Committee

ANNEXURE – 5

The information on conservation of energy, R&D, technology absorption, foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is as follows:

CONSERVATION OF ENERGY

Energy conservation in manufacturing operations is an ongoing process and a serious commitment of all concerned in the Company.

- (a) Energy conservation measures taken by the company includes steps taken by the Company for utilising alternate source of energy and the capital investment on energy conservation equipment's:
 - i. Upgraded incoming power Supply from 11 KV to 33 KV and converted 11 KV Industrial Feeder into 33 KV Independent Feeder which reduced the cost substantially of the Company.
 - ii. Started power trading at 33 KV which also reduced the power cost.
 - iii. Replaced old conventional lights by the LED lights and reduced power consumption.
 - iv. Installed variable frequency drives in fans, blowers & pumps of kilns & cooling towers and reduced power consumption.
 - v. Used Small PLC Timer for the Agitators to operate intermittently instead of continuous use.
 - vi. Conversion of high RPM motors with Low RPM motors to reduce power consumption especially in pumps & agitators.
 - vii. Energy efficient motors used in kilns & Horizontal Dryers to reduce electrical power consumption.
 - viii. Low power loss capacitor with APFC relays used to maintain a good power factor and to reduce the voltage drop as well as the distribution losses.
 - ix. Solar Plant generated more than 10 Lakhs units and optimised use of the renewable energy.
 - x. Installed 400 KVA UPS to avoid losses due to any disturbance in Grid Power Supply.
 - xi. Saved energy consumption by reducing the maximum working air pressure of Air Compressors.
 - xii. Provided online feeding system in place of loading and unloading system to reduce the losses and improve the quality and productivity.

- (b) Impact of measures (a) above for reduction of energy consumption and consequent impact on the cost of production of goods.

The measures indicated as per (a) above will result in reduction in energy consumption/costs.

- (c) Total energy consumption and energy consumption per unit of production in respect of specified industries:

The Company is not covered under the list of specified industries.

TECHNOLOGY ABSORPTION

A. Research and Development;

i. Specified areas of R&D

The Company has introduced new sizes, designs and series in most of the product categories which will add great value to already existing product portfolio. Cost saving and process optimizations was done by introducing cost effective alternative of inputs keeping the aesthetic quotient unchanged. During the year, the Company introduced Anti-Static tile and Temp Shield.

ii. Benefits derived as a result of above R&D Development

The introduction of new designs and special effects given to the products has resulted in the good market response for the products of the company. The improvement in processes has resulted in the increase in the quality of the products of the company and reduction in process loss.

iii Future R & D Plans

The research and development division of the company is always engage themselves for development of new designs and variety of products to meet the high expectations of the customers.

It endeavours to develop products which are different in design, effects and sizes.

iv Expenditure on R & D

There was no major expenditure incurred to carry out the R&D when compared with the size of the turnover of the Company.

B. Technology absorption, adaptation and innovation

The Company continues to fully adopt and keeps its R&D and Technical staff fully abreast with the latest technologies and products globally.

The Company has not imported any technology during the last three years.

C. Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings ₹5,440.45 Lakhs

Foreign Exchange Outgo ₹4,353.29 Lakhs

For and on behalf of the Board

Place: New Delhi

Dated: 21st May, 2019

Shreekant Somany
Chairman and Managing Director

ANNEXURE – 6

Information as per Section 134 and Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2019.

REMUNERATION PAID TO DIRECTORS

Name of the director	Title	Remuneration in fiscal 2019 (` in Lakhs)	Remuneration in fiscal 2018 (` in Lakhs)	No. of Stock Option / RSUs granted in fiscal 2019	% increase of remuneration in 2019 as compared to 2018	Excl. WTD Ratio of remuneration to MRE #	Incl. WTD Ratio of remuneration to MRE and WTD #
Mr. Shreekant Somany	Chairman and Managing Director	342.08	487.11	Nil	-29.77%	127.32	127.25
Mr. Abhishek Somany	Managing Director	346.97	487.11	Nil	-28.77%	129.14	129.07
Mrs. Anjana Somany	Whole-Time Director	26.90	26.99	Nil	-0.33%	10.01	10.01
Mr. R. K. Daga	Independent Director	6.15	6.40	Nil	-3.91%	2.29	2.29
Dr. Y.K. Alagh	Independent Director	5.45	5.20	Nil	4.81%	2.03	2.03
Mr. Salil Singhal	Independent Director	5.75	6.10	Nil	-5.74%	2.14	2.14
Mr. G. L. Sultania*	Non- Executive Director	1.04	6.35	Nil	-83.62%	0.39	0.39
Mr. Ravinder Nath	Independent Director	5.55	5.55	Nil	0.00%	2.07	2.06
Mr. G. G. Trivedi ^s	Non- Executive Director	6.00	3.35	Nil	79.10%	2.23	2.23
Mr. Siddharath Bindra	Independent Director	5.90	6.20	Nil	-4.84%	2.20	2.19
Mr. Rameshwar Singh Thakur [#]	Independent Director	4.57	-	Nil	-	1.70	1.70
Mrs. Rumjhumi Chatterjee ^{&}	Independent Director	3.05	-	Nil	-	1.14	1.13

* Mr. G. L. Sultania resigned from the Company w.e.f. 24th May, 2018.

- Mr. Rameshwar Singh Thakur was appointed as Director w.e.f. 24th May, 2018.

& - Mrs. Rumjhumi Chatterjee was appointed as an Additional Director w.e.f. 1st September, 2018.

\$ - Mr. G.G.Trivedi who was appointed on 1st September, 2017 as the Additional Non executive Non- Independent Director of the Company.

Rounded off to two decimal

RSUs: Restricted Stock Units

WTD: Whole Time Director

MRE: Median Remuneration of Employees

REMUNERATION OF KEY MANAGERIAL PERSONNEL (KMPS)

Key Managerial Personnel	Title	Remuneration in fiscal 2019 (` in Lakhs)	Remuneration in fiscal 2018 (` in Lakhs)	No. of Stock Option / RSUs granted in fiscal 2019	% increase of remuneration in 2019 as compared to 2018	Excl. WTD	Incl. WTD
						Ratio of remuneration to MRE #	Ratio of remuneration to MRE and WTD #
Mr. T. R. Maheshwari	Chief Executive Officer	115.21	115.64	Nil	-0.37	42.88	42.86
Mr. Saikat Mukhopadhyay	Chief Financial Officer	102.64	89.68*	Nil	14.45	38.20	38.18
Mr. Ambrish Julka	Company Secretary and Compliance Officer	27.65	25.78	Nil	7.25	10.29	10.29

Rounded off to two decimal

* Mr. Saikat Mukhopadhyay was appointed as Chief Financial Officer of the Company on 30th January, 2018. The remuneration is on annualised basis.

RSUs: Restricted Stock Units

WTD: Whole Time Director

MRE: Median Remuneration of Employees

The Median Remuneration of Employees (MRE) excluding Whole-time Directors (WTDs) was ₹2,68,680 and ₹1,70,760 in fiscal 2019 and fiscal 2018 respectively. The increase in MRE (excluding WTDs) in fiscal 2019, as compared to fiscal 2018 is 57.34%.

The Median Remuneration of Employees (MRE) including Whole-time Directors (WTDs) was ₹2,68,818 and ₹1,70,928 in fiscal 2019 and fiscal 2018 respectively. The increase in MRE (including WTDs) in fiscal 2019, as compared to fiscal 2018 is 57.27%.

The number of Permanent employees on the rolls of the Company as of 31st March, 2019 and 31st March, 2018 was 2,267 and 2,355 respectively.

The aggregate remuneration of employees excluding WTD grew by 7.61 % over the previous fiscal. The aggregate decrease in salary for WTDs and other KMPs was 21.98 % (on annualised basis) in fiscal 2019 over fiscal 2018. This was based on the recommendation of the nomination and remuneration committee to revise the remuneration as per industry benchmarks.

It is hereby affirming that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Place : New Delhi

Dated : 21st May, 2019

Shreekant Somany
Chairman & Managing Director

ANNEXURE – 7

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To
The Members of
Somany Ceramics Limited

We have examined the compliance of regulations of Corporate Governance by Somany Ceramics Limited ('the company'), for the year ended March 31, 2019 as per the relevant provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 ('Listing Regulations') as referred to Regulations 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certificate of Corporate Governance, issued by The Institute of Chartered Accountants of India and limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied in all

material respect with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Singhi & Co.**
Chartered Accountants
Firm's Reg No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: 21st May, 2019

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance Practices are strength of any successful enterprise. The Company's visionary founder had laid the foundation for good governance and made it an integral part of the Company's philosophy which has characteristics of fairness, accountability, disclosure and transparency. This has enabled your Company to achieve sustainable growth on its journey to continue success, thereby meeting the expectations of the stakeholders. The Company places emphasis on business ethics and responsible conduct and to disclosures of operating performance and other key events on timely basis to its shareholders and the stakeholders. The Company views its role as trustees of its shareholders, stakeholders and society at large.

2. BOARD OF DIRECTORS

The Composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015), having an optimal combination of Executive Directors and Non-Executive Directors with varied professional backgrounds, representing a judicious mix of professionalism, knowledge

and experience. As on 31st March, 2019, the Company's Board comprised of eleven (11) directors, of which three (3) are Executive Directors out of which two are Managing Director and one is Whole Time Director, seven (7) are Independent Directors and one is Non-Executive Non Independent Director. None of the Non-Executive Director of the Company has any pecuniary relationship or transaction with the Company except Mr. Ghanshyam Girdharbhai Trivedi, Non-Executive Non Independent Director, who is in receipt of Technical Consultancy Fees of ₹35 Lakh (Rupees Thirty Five Lakh Only) for a period i.e. from 18th August, 2018 to 17th August, 2019 which was approved by the Audit Committee as well as by the Board of Directors of the Company..

It is hereby confirmed that Independent Directors have fulfilled all the conditions of Listing Regulations and they are Independent of the Management. It is hereby further confirmed that none of the Independent Directors resigned during the period under review.

The details of the Directors by category, attendance and other Directorships including Memberships/Chairmanships of Board Committees and number of shares held are:

Director	Category	No. of Board Meetings held during the tenure of the Member	No. of Board Meetings attended	Attended last AGM	Number of Directorships in other companies(\$)	No. of Committee positions held in other companies@		No. of shares held
						Chairman	Member	
Mr. Shreekant Somany	P	5	5	Yes	5	0	3	4,75,240*
Mr. Abhishek Somany	P	5	5	Yes	2	-	-	85,500
Mrs. Anjana Somany	P	5	4	No	2	-	-	94,150
Mr. R. K. Daga**	I	5	4	Yes	2	1	1	5,000
Mr. Salil Singhal	I	5	3	No	5	-	1	-
Mr. Ravinder Nath	I	5	3	No	3	1	2	-
Dr. Y. K. Alagh**	I	5	2	No	1	-	2	-
Mr. Siddharath Bindra	I	5	3	No	-	-	-	27,000
Mr. Ghanshyam Girdharbhai Trivedi	N	5	4	No	1	-	-	2,000
Mr. Rameshwar Singh Thakur	I	3	2	No	1	-	-	-
Mrs. Rumjhumi Chatterjee***	I	2	1	No	2	-	-	-
Mr. G.L. Sultania **	N	2	1	Yes	9	1	2	1,250

Category: P =Promoter, I =Independent, N = Non-Executive & Non-Independent Director.

(*) Excludes Directorships in Indian Private Limited Companies other than subsidiaries of Public Limited Companies and memberships of various Chambers and other non-corporate organizations.

@ Includes the membership/chairmanship in Audit Committee and Stakeholders Relationship Committee only of other Public Limited Companies.

* Shareholding of Mr. Shreekant Somany includes 45,500 shares held as Karta of Shreekant Somany (HUF).

** Mr. G. L. Sultania resigned from the office of Non- Executive & Non-Independent Director w.e.f 24th May, 2018.

**Dr. Y. K. Alagh ceased to be a director of the Company w.e.f 1st April, 2019, owing to attaining the age of 75 years.

**Mr. R. K. Daga ceased to be a director of the Company w.e.f 1st April, 2019 owing to attaining the age of 75 years.

*** Mrs. Rumjhumi Chatterjee was appointed as an Additional Director (under the category of Independent) w.e.f. 1st September, 2018.

The names of the listed entities where the person is a director and the category of directorship:

Name of Director	Listed entities where the person is a director	Category of directorship
Mr. Shreekant Somany	Shree Cement Limited JK Tyre and Industries Limited	Independent Director Independent Director
Mr. Abhishek Somany	-	-
Mrs. Anjana Somany	-	-
Mr. R. K. Daga	Hindusthan National Glass & Industries Limited	Independent Director
Mr. Salil Singhal	Usha Martin Limited	Independent Director
Mr. Ravinder Nath	Voith Paper Fabrics India Limited	Independent Director
	Kanoria Chemicals & Industries Limited	Independent Director
	Hero Moto Corp Limited	Independent Director
Dr. Y. K. Alagh	Shree Cement Limited	Independent Director
Mr. Siddharath Bindra	-	-
Mr. Ghanshyam Girdharbhai Trivedi	-	-
Mr. Rameshwar Singh Thakur	-	-
Mrs. Rumjhumi Chatterjee	Blue Star Limited	Additional Independent Director

Key Board Qualification:

The Company is in the business of manufacturing and trading of tiles, Sanitaryware and Bath Fittings and required various types of skills and expertise to run the business which includes the technical skills related to the business of the company or the skills and expertise which help the business to grow in the present market situation. The list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively are as follows;

Strategy, Corporate Governance, Sales & Marketing, Communication, General management, Business Development, Corporate Laws, Laws relating to Commerce and Industry, Human Resource Management, Change Management, women empowerment and capacity building experience, financial skills, business planning, product pricing, operation, etc.

The Board Members have the skills and expertise as required to run the business in a way which benefit the stakeholders. The Board of the company comprises of executive as well as non-executive directors, Independent directors (including woman director) who posses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations and other disciplines related to the company's business.

In the table below, the specific areas of focus or expertise of individual Board Members have been highlighted. However, the absence of a mark against a Member's name does not necessarily mean the Member does not possess the corresponding qualification or skill.

Name of Directors	Area of Expertise							
	Financial	Sales & Marketing	Law	Management	Technology	Governance	Diversity	Research
Mr. Shreekant Somany	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abhishek Somany	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Anjana Somany	✓	✓	✓	✓	✓	✓	-	-
Mr. R. K. Daga	✓	✓	✓	✓	-	✓	✓	-
Mr. Salil Singhal	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ravinder Nath	✓	✓	✓	✓	-	✓	✓	✓
Dr. Y.K. Alagh	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Siddharath Bindra	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ghanshyam Girdharibhai Trivedi	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Rameshwar Singh Thakur	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Rumjhoom Chatterjee	✓	✓	✓	✓	-	✓	✓	✓
Mr. G. L. Sultania	✓	✓	✓	✓	✓	✓	✓	✓

As mandated by Regulation 26 of Listing Regulations, 2015, none of the Directors of the Company are member of more than ten Board Level Committees in Public Companies nor are they Chairman of more than five Board Level Committees in Listed Companies in which they are directors.

INTER-SE RELATIONSHIP OF DIRECTORS

Mr. Shreekant Somany, Chairman & Managing Director of the Company is spouse of Mrs. Anjana Somany, Whole time director and father of Mr. Abhishek Somany, Managing Director of the Company.

BOARD FUNCTIONS

Apart from review and consideration of matters referred to under Regulation 17 of the SEBI (Listing Regulations), 2015, the Board also undertakes the following:

- Laying down the corporate philosophy and the mission of the Company;
- Formulating the strategic business plans;
- Setting standard for ethical behaviour;
- Compliance with all the rules and regulations;
- Informing shareholders of the various developments within the Company.

MEETING OF THE BOARD OF DIRECTORS

There were Five Board meetings held during the year 2018-19 i.e. on 10th April, 24th May, 7th August, 1st November in 2018 and on 11th February in 2019.

3. CODE OF CONDUCT

The Board of Directors has adopted a Code of Conduct for all Board members and senior management personnel of the Company after

suitably incorporating duties of Independent Directors as laid down under Schedule IV to the Companies Act, 2013 and the same is being abided by all on annual basis in terms of Regulation 26(3) of the SEBI (Listing Regulations, 2015). A declaration to this effect, duly signed by Chairman and Managing Director was placed before the Board and is enclosed forming part of this report. The Code of Conduct framed by the Company is posted on the Company's website i.e. www.somanyceramics.com.

4. CHAIRMAN AND MANAGING DIRECTOR (CMD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The CMD and CFO of the Company have jointly issued a certificate pursuant to provisions of Regulation 17(8) of the SEBI (Listing Regulations, 2015), certifying that the financial statements do not contain any materially untrue statement and those statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of this Annual Report.

5. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Composition

As at 31st March, 2019, the Audit Committee comprises of five members, with majority of Independent Directors, as members of the Committee meets its constitution requirements, in terms of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Regulations, 2015) in which Mr. R. K. Daga is the Chairman of the Committee. The other members of the committee are Mr. Salil Singhal, Mr. Siddharath Bindra, Dr. Y. K. Alagh and Mr. Ghanshyam Girdharibhai Trivedi who was inducted as member of the Committee w.e.f. 10th April, 2018. Mr. G. L. Sultania ceased to be the member of the Committee w.e.f.

24th May, 2018. All members of the Audit Committee are financially literate. The Audit Committee members are accomplished professionals from the corporate and academic world. The Company Secretary of the Company acts as the Secretary to the Committee. Minutes of each Audit Committee Meeting is placed and discussed in the next meeting of the Board. The terms of reference of the Audit Committee cover the areas as stipulated under Part C of Schedule II of SEBI (Listing Regulations, 2015) and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors.

Terms of Reference

Brief description of the terms of reference are:-

- Effective supervision of the financial reporting process, ensuring financial and accounting controls and compliance with the policies of the Company,
- Periodical interaction with the statutory and internal auditors to ascertain the quality and veracity of the Company's transactions,
- Grant of Omnibus approval for transactions contemplated to be undertaken by the Company with related parties subject to the approval of shareholders of the Company, as may be required,
- Review of adequacy and effectiveness of Internal Audit Function and the Internal Control System,
- Overall direction on the risk management system,
- Review of the annual and quarterly financial statements with management before submission to the Board,
- Compliance with Listing and other legal requirements relating to financial statements,
- Review related party transactions,
- Review the functioning of Vigil Mechanism, qualifications in the audit report, if any,
- Carry out any other functions as may be specified by the Board from time to time.

Invitees to the Audit Committee

Both the Statutory and Internal Auditors of the Company are regular invitees to the Audit Committee meetings to brief the committee members on the respective reports. The meeting of the Audit Committee is generally attended by the Chairman & Managing Director, Chief Executive Officer, Chief Financial Officer and other departmental heads.

Frequency of Meetings

During the year 2018-19, four Audit Committee meetings were held on 24th May, 7th August, 1st November in 2018 and on 11th February in 2019.

The maximum gap between any two meetings was less than 120 days.

The attendance of the Audit Committee Meetings is given below:

Name of Member Director	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. R. K. Daga (Chairman)	4	4
Mr. G. L. Sultania	1	1
Mr. Salil Singhal (Member)	4	3
Dr. Y. K. Alagh (Member)	4	2
Mr. Siddharath Bindra (Member)	4	2
Mr. Ghanshyam Girdharbhai Trivedi (Member)	4	3

The Chairman of the Committee was present at the last Annual General Meeting of the Company to answer shareholders queries.

SHARE TRANSFER COMMITTEE

Your Company has a Share Transfer Committee comprising of Mr. R. K. Daga (who chairs the meeting), Mr. N. Goenka and Mr. S. Banerjee. The Committee met 12 times during the year under review. The Board has delegated the power of Share Transfer to the Company's Registrar & Share Transfer Agents, who processes the transfers, in respect of physical and shares under Demat. During the year under review, total of 2755 shares were transferred (including transmission) and dispatched within the stipulated time period specified under the laws, documents for which found valid in all respects. There were no pending transfers as on 31st March, 2019.

STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Company has a Stakeholder's Relationship Committee to oversee redressal of shareholders'/Investors' grievances relating to transfers, transmissions, issue of duplicate share certificate(s) and all other matters concerning shareholders' complaints. Mr. R. K. Daga, Non-Executive Independent Director of the Company is heading the Committee along with Mr. Shreekant Somany, Chairman and Managing Director and Mr. Ghanshyam Girdharbhai Trivedi, Non-Executive Non-Independent Director, who was inducted as member of the Committee w.e.f. 10th April, 2018. Mr. G. L. Sultania ceased to be a member of the committee w.e.f. 24th May, 2018. Mr. Ambrish Julka, Deputy General Manager (Legal) and Company Secretary of the Company is the Compliance Officer. Total Four meetings of this Committee were held during the year 2018-19, i.e. on 24th May, 7th August, 1st November in the year 2018 and on 11th February in the year 2019. During the year 7 complaints were received and resolved. There were no complaints of Shareholders pending as on 31st March, 2019.

Name of Member Director	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. R. K. Daga (Chairman)	4	4
Mr. G. L. Sultania (Member)	1	1
Mr. Ghanshyam Girdharbhai Trivedi (Member)	4	3
Mr. Shreekant Somany (Member)	4	4

NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee comprising of four Non-executive directors, of which more than half are Independent Directors. Mr. R.K. Daga, Non-executive Independent Director is the Chairman of the Committee. Mr. Siddharth Bindra, Non-executive Independent Director is a member of the Committee. Mr. Ghanshyam Girdharbhai Trivedi, Non-executive Non-Independent Director was inducted as a member of this committee w.e.f. 10th April, 2018 and Mr. Rameshwar Singh Thakur was inducted as a member of this Committee w.e.f. 11th February, 2019. Mr. G. L. Sultania ceased to be a member of the Committee w.e.f. 24th May, 2018.

During the year 2018-19, Two Committee meetings were held i.e. on 24th May and 7th August in 2018.

The attendance of the Nomination & Remuneration Committee Meetings is given below:

Name of Member Director	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. R. K. Daga (Chairman)	2	2
Mr. G. L. Sultania (Member)	1	1
Mr. Siddharth Bindra (Member)	2	2
Mr. Ghanshyam Girdharbhai Trivedi (Member)	2	2
Mr. Rameshwar Singh Thakur (Member)	-	-

Terms of Reference

Terms of reference of the Nomination and Remuneration Committee are as per the guidelines set out in the SEBI (Listing Regulations, 2015), as and when applicable and Section 178 of the Companies Act, 2013, that inter-alia includes:

- Identifying and selection of candidates for appointment as Directors/ Independent Directors, Key Managerial Personnel (KMP) and as Senior Management employees, based on certain criteria laid down;
- Formulate and review from time to time the Policy for selection and appointment of Directors, KMP and senior management employees and their remuneration;

- Review and evaluate the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.
- Succession planning of the Board of Directors and Senior Management Employees.
- Such other matters as may be prescribed in the Nomination and Remuneration Policy of the Company.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS AND THE BOARD:

The Independent Directors and the Board are evaluated on the basis of the following criteria's i.e. whether they:

- (a) Act objectively and constructively while exercising their duties;
- (b) Exercise their responsibilities in a bonafide manner in the interest of the Company;
- (c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) Refrain from any action that would lead to loss of his independence;
- (f) Inform the Board immediately when they lose their independence;
- (g) Assist the Company in implementing the best corporate governance practices;
- (h) Strive to attend all meetings of the Board of Directors;
- (i) Strive to attend and participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) Strive to attend the general meetings of the Company;
- (k) Keep themselves well informed about the Company and the external environment in which it operates;
- (l) Do not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- (m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;

(n) Abide by Company's Memorandum and Articles of Association, Company's Policies and procedures including code of conduct, insider trading guidelines etc.

The performance of Executive Directors is also evaluated on the basis of Targets/ Criteria met by them, as given by the Board from time to time.

Details of the Remuneration paid to Directors during the year 2018-19 are as follows:

Directors	Salary & perquisites (₹) **	Commission for 2017-18 (₹)	Sitting Fees (₹)	Total (₹)
Mr. Shreekant Somany*	2,96,27,946	1,46,13,739	-	4,42,41,685
Mr. Abhishek Somany*	3,46,96,659	1,92,32,828	-	5,39,29,487
Mrs. Anjana Somany*	26,89,982	-	-	26,89,982
Mr. R. K. Daga	-	5,00,000	1,15,000	6,15,000
Mr. G. L. Sultania [@]	-	5,00,000	30,000	5,30,000
Mr. Salil Singhal	-	5,00,000	75,000	5,75,000
Mr. Ravinder Nath	-	5,00,000	55,000	5,55,000
Dr. Y.K. Alagh	-	5,00,000	45,000	5,45,000
Mr. Siddharath Bindra	-	5,00,000	90,000	5,90,000
Mr. G. G. Trivedi	-	2,90,411	1,00,000	3,90,411
Mr. Rameshwar Singh Thakur [§]	-	-	30,000	30,000
Mrs. Rumjhumi Chatterjee [§]	-	-	15,000	15,000

* Managing Directors and Whole time Directors are not entitled for sitting fee.

** The remuneration includes Company's contribution to Provided Fund and leave encashment and the same is being paid in accordance with Schedule V to the Companies Act, 2013. The value of perquisites has been calculated in accordance with the rules framed under the Income Tax Act, 1961.

The services of Chairman & Managing Director, Managing Director and Whole-time Director may be terminated by giving three calendar months' notice or alternatively three months' salary in lieu of notice. No severance fees is payable to them under their respective service agreements entered into by them with the Company.

Apart from sitting fees, the Non-Executive directors of the Company are entitled for commission @1% of net profits of the Company in terms of resolution passed by the Shareholders of the Company at their Annual General Meeting held on 30th August, 2018 to Non-Executive Directors of the Company upto and for the Financial Year ended 31st March, 2023.

@ Mr. G. L. Sultania resigned from the office of Non-Executive Non-Independent Director w.e.f. 24th May, 2018

§ Mr. Rameshwar Singh Thakur and Mrs. Rumjhumi Chatterjee were appointed as Additional Directors on the Board w.e.f 24th May, 2018 and 1st September, 2018 respectively.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Your Company has a CSR Committee, in terms of Section 135 of the Companies Act, 2013. The Chairman of the Committee is Mr. Abhishek Somany, Managing Director of the Company. Mr. Salil Singhal, Mr. Ravinder Nath and Mr. Siddharath Bindra, Non-Executive Independent Directors of the Company are the other members of the Committee.

During the year ended 31st March, 2019, three Committee meetings were held i.e. on 24th May, 7th August in the year 2018 and 11th February in the year 2019, which were attended by the members as under:

Director	Category	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Abhishek Somany	Non-Independent Executive Director	3	3
Mr. Salil Singhal	Independent Director	3	1
Mr. Ravinder Nath	Independent Director	3	1
Mr. Siddharath Bindra	Independent Director	3	1

COMPANY ADMINISTRATIVE COMMITTEE

The Company Administrative Committee was constituted by the Board for considering matters routine in nature and matters require to be resolved between two Board Meetings of the Company. Mr. Shreekant Somany, Chairman and Managing Director of the Company, is the Chairman of the Committee. Mr. Abhishek Somany, Managing Director, Mr. Salil Singhal and Mr. Siddharath Bindra, Non-Executive Independent Directors of the Company are other members of the Committee. During the year ended 31st March, 2019, four Committee meetings were held i.e. on 26th June and 21st December in the year 2018 and on 2nd January and 30th January in the year 2019 which were attended by the members as under:

Director	Category	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Shreekant Somany	Non-Independent Executive Director	4	4
Mr. Abhishek Somany	Non-Independent Executive Director	4	4
Mr. Salil Singhal	Independent Director	4	2
Mr. Siddharath Bindra	Independent Director	4	4

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code for Independent Directors under Schedule IV to the Companies Act, 2013 and Regulation 25 (3) of the SEBI (Listing Regulations, 2015), a separate meeting of the Independent Directors of the Company was held on 11th February, 2019 and attended by the Independent Directors except Mr. Salil Singhal, Mr. Rameshwar Singh Thakur, Mr. Siddharath Bindra and Mrs. Rumjhumi Chatterjee, to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

7. INDUCTION AND TRAINING OF INDEPENDENT DIRECTOR

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as the nature of industry in which the Company operates through induction programmes at the time of their appointment as Director. On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction programme giving brief description on Company's manufacturing, marketing, finance and other important aspects. The Company Secretary, briefs the Director about their legal and regulatory responsibilities as a Director. The induction for Independent Directors include interactive sessions with Business and Functional heads. The details of familiarisation programmes for Independent Directors are uploaded on the website of the Company, i.e. www.somanyceramics.com at the weblink: <https://www.somanyceramics.com/investor-relation/>

8. EVALUATION OF THE BOARD'S PERFORMANCE

One of the key functions of the Board is to monitor and review the Board evaluation framework. Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Regulations, 2015), the Board has carried out evaluation of performance of Individual Directors and as well as that of its Committees, including Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of Board's functioning such as composition of Board & its Committees, experience and competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors, including the Board as a whole, Chairman, who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholder's interest etc.

9. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

With the rapid expansion of business in terms of volume, value and geography, various risks associated with the business have also increased considerably. One such risk identified is the risk of fraud & misconduct. The Audit Committee is committed to ensure fraud free work environment and to this end the said Committee has laid down a Whistle Blower Policy, duly approved by the Board, providing a platform to all the employees, vendors and customers to report any suspected fraud or error or confirmed incident of fraud /misconduct. The Board has adopted the Policy on Vigil Mechanism and uploaded the same on the Company's website i.e. www.somanyceramics.com at the weblink: https://www.somanyceramics.com/pub/media/investorrelation/s/c/scl_whistle_blower_policy-revised.pdf

10. SUBSIDIARY COMPANIES

The Company does not have any material subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth of the holding company and its subsidiaries in the immediately preceding accounting year. The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee meeting and Board meeting of the Company. Copies of the Minutes of the Board Meetings of Subsidiary Companies are circulated to all the Directors along with the agenda for the Board Meetings of the Company. The Board has approved and adopted a policy for determining Material Subsidiaries which has been uploaded on the Company's website i.e. www.somanyceramics.com and at the web link i.e. https://www.somanyceramics.com/pub/media/investorrelation/p/o/policy_on_material_subsidiaries_revised_1.pdf

11. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Regulations, 2015) during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (IND-AS 24) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website i.e. www.somanyceramics.com at the weblink i.e. https://www.somanyceramics.com/pub/media/investorrelation/p/o/policy_related_party_revised_2019.pdf Omnibus approval granted by Audit Committee for transactions contemplated to be undertaken by the Company with related parties subject to approval of the shareholders of the Company, if required.

12. GENERAL BODY MEETINGS

The details of all the General Body Meetings conducted in the last 3 years out of which two meeting dated 2nd September, 2016 and 25th August, 2017 were held at Lakshmiपत Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110 016 and one meeting dated 30th August, 2018 was held at Sripathi Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata- 700 020:

Year	Date	Time	Annual General Meeting
2018-19	30.08.2018	11:00 A.M	50 th Annual General Meeting
2017-18	25.08.2017	10.30 A.M.	49 th Annual General Meeting
2016-17	02.09.2016	10.30 A.M.	48 th Annual General Meeting

13. SPECIAL RESOLUTIONS PASSED IN THE PREVIOUS THREE AGMs/EOGMs:

Date of Meeting held	AGM/ EOGM	Subject matter of the resolution
30 th August, 2018	AGM	<ul style="list-style-type: none"> • Re-appointment of Smt. Anjana Somany (DIN: 00133542) as Key Managerial Personnel, designated as Whole-time Director for a further period of 3 (three) years, with effect from 21st May, 2019 till 20th May, 2022. • Remuneration by way of Commission to Non-Executive Directors
25 th August, 2017	AGM	<ul style="list-style-type: none"> • Re-appointment of Shri Shreekant Somany (DIN: 00021423) as the Chairman & Managing Director of the Company for a further period of 3 (Three) consecutive years, commencing from 1st September, 2017 till 31st August, 2020. • Re-appointment of Shri Abhishek Somany (DIN: 00021448) as the Managing Director of the Company for a further period of 5 (Five) consecutive years, commencing from 1st June, 2018 till 31st May, 2023.
2 nd September, 2016	AGM	<ul style="list-style-type: none"> • Appointment of Smt. Anjana Somany (DIN: 00133542), Director of the Company as a Key Managerial Personnel, designated as a Whole-time Director of the Company with effect from 21st May, 2016 till 20th May, 2019.

No Extra-Ordinary General Meeting was held during the year under review.

14. DISCLOSURES

There has been no instance of non-compliance by the Company on any matter related to capital markets and hence the question of imposition of penalties or strictures on the Company by the Stock Exchanges or SEBI or any statutory authority, does not arise.

The Company complies with all the mandatory requirements of Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Regulations, 2015).

The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Regulation 16(1) (b) of the SEBI (Listing Regulations, 2015).

There were no materially significant related party transaction which may have potential conflict with the interest of the Company at large. During the year under review, no employee of the Company has been denied access to the Audit Committee in respect of suspected fraud or error, if any, under the vigil mechanism adopted by the Board.

The Company has in place a mechanism to inform the Board Members about the risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management and also adopted a Risk Management Policy.

15. MEANS OF COMMUNICATION

The annual, half yearly and quarterly results of the Company are generally published in Jansatta, New Delhi (Hindi Edition), The Financial Express (English Edition) New Delhi, Kolkata & Mumbai and Sangbad Pratidin (Kolkata) (Bengali Edition) newspapers. The results of the Company are submitted to the National Stock Exchange of India Limited and BSE Limited in accordance with the SEBI (Listing Regulations, 2015) and posted on its website: www.somanyceramics.com. The presentations made to Institutional investors/ analysts are available at website of Company i.e. www.somanyceramics.com at the web link at <https://www.somanyceramics.com/investor-relation>.

16. MANAGEMENT DISCUSSION AND ANALYSIS" IS A PART OF THE ANNUAL REPORT"

17. GENERAL SHAREHOLDER'S INFORMATION

Registered Office:

2, Red Cross Place,
Kolkata – 700 001
Phone: 033-22487406/5913,
Email: cs@somanytiles.co.in

Plant locations

- i) V & P.O Kassar, Bahadurgarh
Distt. Jhajjar, Haryana - 124507
Phone: 01276-223300 Fax : 01276-241011
Email: saikat.mukhopadhyay@somanyceramics.com
- ii) GIDC Industrial Area,
Distt. Mehsana, Kadi, Gujarat 382715
Ph : 02764-242153/54, Fax : 02764-263011

18. DATE AND VENUE OF ANNUAL GENERAL MEETING

The 51st Annual General Meeting of the Company will be held on Monday, the 19th August, 2019 at Sripati Singhania Hall, Rotary Sadan, 94/2, Chowinghee Road, Kolkata- 700 020 at 11.30 a.m.

19. FINANCIAL CALENDAR: 1ST APRIL TO 31ST MARCH

Financial Reporting for 2019-2020 is as follows:

- First Quarter : First week of August, 2019
Second Quarter : Second week of November, 2019
Third Quarter : Third week of January, 2020
Fourth Quarter : Fourth week of May, 2020

20. BOOK CLOSURE DATE

3rd August, 2019 to 19th August, 2019 (both days inclusive)

21. DIVIDEND

The Board of Directors of Company has recommended a dividend of ₹2/- per equity shares of ₹2/- each for the year ended 31st March, 2019 subject to approval of the Shareholders at the ensuing 51st Annual General Meeting of the Company and the amount of dividend will be paid or Dividend warrants will be dispatched to the eligible Shareholders by 23rd August, 2019.

22. LISTING ON STOCK EXCHANGE

Shares of the Company are listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company has paid annual listing fees to both the Exchanges for the financial year 2019-2020.

National Stock Exchange of India Limited (NSE)

"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051
Trading Symbol :- SOMANYCERA

BSE Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip Code : 531548
Demat ISIN Number for NSDL and CDSL: INE 355A01028

Market Price Data:

No. of Equity Shares	National Stock Exchange of India Limited*			BSE Limited*		
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares Traded
Apr-18	689.75	540.65	8,61,312	699.85	544.30	32,039
May-18	600.00	508.95	8,42,518	597.05	506.30	43,599
Jun-18	578.00	493.00	4,85,673	577.20	492.90	27,148
Jul-18	550.00	420.80	10,80,195	549.00	424.00	4,31,410
Aug-18	559.95	450.00	6,18,382	556.85	450.00	56,632
Sep-18	487.75	370.00	8,38,537	490.80	361.05	2,84,289
Oct-18	397.75	310.00	9,78,659	396.65	311.00	2,69,967
Nov-18	390.00	278.00	14,87,187	400.00	278.00	76,989
Dec-18	339.95	270.10	14,68,225	338.20	270.60	79,685
Jan-19	374.00	322.65	14,62,392	378.00	320.80	1,65,966
Feb-19	359.90	304.05	7,74,349	355.60	305.15	1,59,942
Mar-19	422.00	328.05	10,24,420	424.00	323.55	63,920

*Source: Official website of BSE and NSE

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES

Somany Ceramics Limited Price on NSE & NSE NIFTY



*Source: Official website of NSE

■ Somany Ceramics Prices on NSE ■ NSE Nifty

23. REGISTRAR & SHARE TRANSFER AGENT

(Both for physical and demat segment)

Maheshwari Datamatics Pvt. Ltd.

23, R. N. Mukherjee Road,

5th Floor, Kolkata – 700 001

Phone No. 033-2243 5809/2248 2248

E-mail: mdpldc@yahoo.com

24. SHARE TRANSFER SYSTEM

The Company's shares are traded on stock exchanges in compulsory demat mode. Shares in physical mode lodged with the Company with valid documents are transferred and share certificates are returned in physical form within the time prescribed under the SEBI (Listing Regulation, 2015). During the year under review SEBI has mandated that Shareholders holding shares in physical form and intend to transfer their shares after April 1, 2019, can do so only in dematerialised Form. Therefore Members holding shares in physical form were informed vide letter/e-mail to consider converting their shares in dematerialised form.

25. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019

No. of Equity Shares	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1 to 500	1,0799	89.87	7,79,853	1.84
501 to 1000	571	4.75	4,47,753	1.06
1001 to 2000	259	2.16	3,92,702	0.93

No. of Equity Shares	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
2001 to 3000	94	0.78	2,43,556	0.57
3001 to 4000	50	0.42	1,80,557	0.43
4001 to 5000	47	0.39	2,17,946	0.51
5001 to 10000	83	0.69	5,90,062	1.39
10001 and Above	113	0.94	3,95,26,997	93.27
Total	12,016	100.00	4,23,79,426	100.00

Categories of Shareholding as on 31st March, 2019.

Category	Number of Shares	Percent
Indian Promoters	2,18,39,360	51.53
Mutual Funds & UTI, Alternate Investment Funds	97,10,479	22.91
Banks, Financial Institutions, Insurance Companies	55,041	0.13
NBFCs Registered with RBI	140	0.00
Foreign Portfolio Investors	19,42,035	4.59
Foreign Portfolio Investors (Individual)	10,000	0.02
Foreign Institutional Investors	-	-
Corporate Bodies	14,03,120	3.31
Indian Public	60,28,982	14.23
NRIs/Foreign Companies	11,99,765	2.83
Investor Education and Protection Fund Authority	1,49,259	0.35
Trusts	488	0.00
Clearing Members	40,757	0.10
Total	4,23,79,426	100.00

26. DEMATERIALISATION OF SHARES

The Company's equity shares enjoy the DEMAT facilities with NSDL as well as CDSL. The shares held in dematerialised form in CDSL are 10,19,976 (2.41%) and in NSDL are 4,10,39,875 (96.84%) representing 4,20,59,851(99.25%) Equity shares of the paid-up capital of the Company as on 31st March, 2019. The total shares held in physical form are 3,19,575(0.75%).

27. OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

During the year 2018-19, there were no outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date, which would have an impact on the equity of the Company.

28. STOCK OPTIONS

The Company has not issued any stock option.

29. COMMODITY PRICE/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

During the year 2018-19, there are no significant commodity price risk, further necessary steps are being taken to minimize foreign exchange risks.

30. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Mr. Pradeep Pincha of Pinchaa & Co., Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been barred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or such any other authority. This certificate is enclosed as Annexure – A.

31. CONTACT FOR CLARIFICATION ON FINANCIAL STATEMENTS:

Individuals may contact

Mr. Saikat Mukhopadhyay, Chief Financial Officer at:

F-36, Sector-6, Noida – 201301, Uttar Pradesh.

Phone: 0120 - 4627900

Email: saikat.mukhopadhyay@somanyceramics.com

Shareholder's Enquiries: Individuals may contact

Mr. Shyamalendu Banerjee at:

2, Red Cross Place, Kolkata – 700 001

Phone : 033-22487406/ 5913 Email : sclinvestors@somanytiles.co.in

Pursuant to the Uniform Listing Agreement entered by the Company with Stock Exchanges, the Company has created email-id for the redressal of investor grievances viz; sclinvestors@somanytiles.co.in.

32. CREDIT RATINGS

The Company has obtained rating from CRISIL for Bank Loan during the year 2018-19 and also obtained rating from ICRA for Commercial Paper as under:-

Rating Agency	Rating	
CRISIL	Long-term Rating	AA-/Stable
	Short-term Rating	A1+
ICRA	Commercial Paper	A1+

33. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS UNDER THE LISTING REGULATIONS

During the year, the Company has complied with the mandatory requirements as stipulated in the Listed Regulations.

With respect to the Compliance with the non-mandatory requirements pursuant to Regulation 27(1) of the SEBI Listing Regulations, the Company has adopted the following non-mandatory requirements:

- During the year under review, there is no audit qualification on the Company's Financial Statements.
- The Internal Auditor can report directly to the Audit Committee.

34. DETAILS PERTAINING TO UTILIZATION OF FUNDS

Out of ₹11,999.97 Lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilized ₹1849.97 Lakhs (including issue expenses of ₹307.34 Lakhs) for the purpose the funds were so raised and balance ₹10,150.00 Lakhs has been temporarily invested mainly in the debt instruments/funds.

OTHER DISCLOSURES

The Company has paid a total fee of ₹18,58,114 during the year under review to M/s. Singhi & Co., the Statutory Auditors of the Company. None of the subsidiary of the Company or other entities forming part of the same network availed services of the said Auditors during the year under review.

There was no any recommendation of any committee of the Board, which had not been accepted by the Board of Directors during the year under review.

35. COMPLAINTS PERTAINING TO SEXUAL HARASSMENT

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year.	Nil

36. PARTICULARS IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING 51ST ANNUAL GENERAL MEETING OF THE COMPANY, PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING REGULATIONS, 2015).

Mr. Vineet Agarwal

Aged about 46 years, is a graduate from Carnegie Mellon University and Harvard Business School. He is Managing Director of Transport Corporation of India Limited. He currently serves as the Vice President of ASSOCHAM and the founding National President of the Young Leaders Council at the All India Management Association and has been a Council member for several years. He also served as a director on Young President Organization's (YPO) international board and at many other institutions. He has been involved in various non-government organizations in the areas of creating AIDS awareness programs and running skill development centers across the country. In 2014, Mr. Vineet Agarwal was awarded the Young CEO of the year by the CEO magazine and in 2017 he was among the 200 young entrepreneurs nominated by Government of India under the 'Champions of Change' initiative. He was also awarded CEO of the Year 2018 by the Indian Institute of Material Management. The details of the directorship and membership in Companies are given below:

Sl. no.	Name of the other Public Limited Company in which he is a Director	Chairman/ Director	Position held in		
			Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee
1	Transport Corporation of India Limited	Managing Director	-	-	Member
2	TCI Developers Limited	Director	Member	Member	Member
3	TCI Express Limited	Director	Member	-	Member
4	TCI-Concor Multimodal Solutions Private Limited	Chairman	-	-	-

Mrs. Rumjhumi Chatterjee

Mrs. Rumjhumi Chatterjee is aged about 59 years and is a graduate in Psychology from Calcutta University. She is one of the co-founders of Feedback Infra Group and serves as the Group Managing Director who is actively in charge of Human Capital Development. She has been nominated as the Chief Compliance Officer for the Group. She is also a Director on

the Board of Feedback Energy Distribution Company Ltd. (FEDCO) and a Chairperson at Feedback Foundation Trust which is deeply involved in rural and urban sanitation issues, including solid waste management where she has successfully implemented several projects across the country through community engagement.

Mrs. Rumjhumi is the Chair of CII's National Committee for Women's Empowerment and Indian Women's Network. She served as the first woman Chairperson for CII Northern Regional Council (2016-17) - the largest of the 4 Regions of CII, comprising 9 states. She also serves as the Vice Chairperson of the Governing Body of Help Age India and is a Trustee of '3E Education Trust' (HDFC Schools). As a leading practitioner in the field of human capital management in the infrastructure sector, she was recognized as one of the 20 Most Talented HR Leaders in India by the World HRD Congress in 2013. She pioneered the practice of community led interventions for R & R post land acquisition for infrastructure projects. Her paper on 'Sustainable Rehabilitation Interventions through Community Engagement' was published in the India Infrastructure Report 2009, published by 3iNetwork.

She has deep interest in women's empowerment. She served as the Chairperson of CII Women Exemplar Program for 2015-17 and has been part of the Jury of the Selection Committee of the same program since its inception. She has represented industry's views on the subject before Parliamentarians in India. She also participated in a closed-door interaction to discuss women's empowerment with Prime Minister of Japan, Mr. Shinzo Abe, during his visit to India in January 2014. The details of the directorship and membership in Companies are given below:

Sl. no.	Name of the other Public Limited Company in which he is a Director	Chairman/ Director	Position held in		
			Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee
1	Feedback Energy Distribution Company Limited	Director	-	-	-
2	Blue Star Limited	Director	-	-	-

Mr. Tuljaram Maheshwari

Mr. Tuljaram Maheshwari, aged about 60 years is a fellow member of the Institute of Chartered Accountants of India. He has about 37 years of experience in the field of finance, accounts, treasury & taxation, business planning, product pricing, operation, joint venture business development, sales and marketing etc. He is not on Board of any other Company and Committee thereof.

Mr. Salil Singhal

Mr. Salil Singhal has completed 73 years of age. Mr. Salil Singhal holds a Bachelor's Degree in Arts obtained from St. Xavier's College, Mumbai. He is Chairman Emeritus on Board of PI industries Ltd. He has 51 years of experience as an Industrialist in the fields of Agri Inputs / Metering/ Mining industry. He is Co-Chairman of CII's National Council on Agriculture besides being a member of its National Council for the past 8 years. He was the Chairman of the Pesticides Association of India (rechristened Crop Care Federation of India) for 20 years and is its Chairman Emeritus. In the past, he has been a member of the Executive Committee of FICCI and also the Chairman of its Environment Committee for 5 years, the Chairman of the Northern Region of CII and the Chairman of the National Council for MSMEs.

The details of his directorship and membership in other Companies are given below:

Sl. no.	Name of the other Public Limited Company in which he is a Director	Chairman/ Director	Position held in		
			Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee
1	Usha Martin Limited	Director	Member	-	-
2	Secure Meters Ltd.	Director	-	-	-
3	Wolkem India Ltd.	Director	-	-	-
4	PILL Finance and Investments Ltd.	Director	-	-	-
5	Mahindra World City (Jaipur) Ltd.	Director	-	-	-

Mr. Ravinder Nath

Mr. Ravinder Nath is holder of Bachelor's of Commerce (Honours) degree from Delhi University and also holds a degree of Bachelor of law from Delhi University, Int & Comp laws cert. at Kings College London; PIL (Harvard). He has 44 years of experience in the legal profession.

The details of his directorship and membership in other Companies are given below:

Sl. no.	Name of the other Public Limited Company in which he is a Director	Chairman/ Director	Position held in		
			Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee
1	Voith Paper Fabrics India Limited	Director	Member	-	Chairman
2	Kanoria Chemicals & Industries limited	Director	-	Member	-
3	Hero Moto Corp Limited	Director	-	Member	Member

Mr. Siddharath Bindra

Mr. Siddharath Bindra aged about 45 years is Master's in Commerce from Bombay University. He is Managing Director in the BIBA Apparels Private Limited. He is having a rich experience of about 18 years in the apparel and retail trade. He is not on the Board of other Public Company or Committee thereof.

For and on behalf of the Board
For Somany Ceramics Limited

Shreekanth Somany
Chairman and Managing Director
DIN No.: 00021423

37. DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm and declare that, all the Directors and Senior Management Personnel of the Company have affirmed their compliances with the Code of Conduct of the Company, in so far as it is applicable to them, and there is no non-compliance thereof during the year ended 31st March, 2019.

Shreekant Somany
Chairman and Managing Director

Place : New Delhi
Date: 21st May, 2019

38. CMD/CFO CERTIFICATION

The Board of Directors
Somany Ceramics Limited

We have reviewed the financial statements and the cash flow statement of Somany Ceramics Limited for the year ended 31st March, 2019 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

- (d) we have indicated to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the year.
 - (ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

Shreekant Somany
Chairman and Managing Director

Place: New Delhi
Date: 21st May, 2019

Saikat Mukhopadhyay
Chief Financial Officer

ANNEXURE-A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(pursuant to Regulation 34(3) and Certificate of Non-Disqualification of Directors Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,
The Members of
Somany Ceramics Limited
2, Red Cross Place, Kolkata-700 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Somany Ceramics Limited having CIN L40200WB1968PLC224116 and having registered office at 2, Red Cross Place, Kolkata-700 001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations, representations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S. No.	Name of Director	DIN	Date of appointment in the Company
1.	Salil Singhal	00006629	27/07/2002
2.	Rameshwar Singh Thakur	00020126	24/05/2018
3.	Shreekant Somany	00021423	01/09/1992
4.	Abhishek Somany	00021448	03/09/2001
5.	Ghanshyam Girdharbhai Trivedi	00021470	01/09/2017
6.	Ravinder Nath	00062186	26/09/2003
7.	Anjana Somany	00133542	24/03/2015
8.	Rumjhumi Chatterjee	00283824	01/09/2018
9.	Siddharath Bindra	01680498	26/05/2014
10.	Ratna Kumar Daga	00227746	10/09/1988
11.	Yoginder Kumar Alagh	00244686	30/10/2009

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pinchaa & Co
Company Secretaries
Firm's U.C.N. P2016RJ051800

Pradeep Pincha
Partner
M. No.: FCS 5369
C. P. No.:4426

Dated: 20th May, 2019
Place: Jaipur

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Members
of Somany Ceramics Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Somany Ceramics Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the

Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

S.N.	Key Audit Matter	Auditor's Response
1.	Valuation of trade and other receivables We refer to Note 5, 6, 7, 10, 13, 14 and 16, Note 2.17 to the financial statements. As disclosed in Notes to the financial statements, the Company assesses periodically and at each financial year end, the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics. The carrying amount of trade and other receivables of the company was ₹56,696.99 Lakhs as at March 31, 2019. We focused on this area because of its significance and the degree of judgement required	How our audit addressed the key audit matter: We obtained an understanding of the Company's credit policy for trade receivables, process of approvals and terms and conditions for granting inter corporate deposits and business exigencies for other receivables and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade and other receivables and management's assessment on the credit worthiness of selected customers for trade receivables and recoverability of other receivables. We have obtained yearend balance confirmations for inter corporate deposits. We further discussed with the key management on the adequacy of the allowance for credit losses recorded by the Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed adequacy and appropriateness of allowance for credit losses based on available information.

S.N.	Key Audit Matter	Auditor's Response
1.	to estimate the expected credit loss and determining the carrying amount of trade and other receivables as at the reporting date.	<p>Our Observation: Based on our audit procedures performed, we found management's assessment of the recoverability of trade and other receivables to be reasonable and the disclosures to be appropriate.</p>
2.	<p>Valuation of inventories We refer to Note 8 and 2.14 to the financial statements. As at March 31, 2019, the total carrying amount of inventories was ₹16,205.62 Lakhs. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, shelf life and turnover rate.</p>	<p>How our audit addressed the key audit matter: We have checked and analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the key management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date.</p> <p>Our Observations: We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.</p>
3.	<p>Valuation of Current Investments As disclosed in Note 9 to the financial statements. As at March 31, 2019, the total carrying amount of current investments were ₹6,853.07 Lakhs. Current investments include quoted equity shares, unquoted preference shares, debentures, bonds and mutual funds. Fair valuation of unquoted current investments involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. This was an area of focus for our audit and the area where significant audit effort was directed.</p>	<p>How our audit addressed the key audit matter: Our audit procedures included updating our understanding of the processes employed by the Company for accounting and valuing their current investments. We have reviewed year end confirmation of mutual fund and depository participants except in case of one investment valuing ₹1,861.26 Lakhs which is pending for transfer in the name of the Company for which contract notes and confirmation from seller are available. We have verified that the Company was the recorded owner of all investments except as stated above. Our audit procedures over the valuation of the Investments included reviewing valuation of all Investments held at March 31, 2019.</p> <p>Our Observation: Based on the audit procedures performed we are satisfied with existence and valuation of investment.</p>
4.	<p>Evaluation of uncertain levy of duty/ tax positions Refer Notes 37 and 2.15 to the Financial Statements. The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p>How our audit addressed the key audit matter: We have obtained details of tax assessments and demands from management. We considered management's assessment of validity and adequacy of provisions for uncertain tax positions, evaluating basis of assessment and reviewing relevant correspondence including any information regarding similar cases with relevant tax authorities. We have involved our internal experts to challenge management's assumptions in estimating tax provision and possible outcome of disputes.</p> <p>Our Observations: We considered management's assessment of validity and adequacy of provisions for uncertain tax positions, evaluating basis of assessment and reviewing relevant correspondence including any information regarding similar cases with relevant tax authorities. In respect of various tax demands and liabilities, we assessed appropriateness of management's assumptions and estimates.</p>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. We have obtained all other information prior to the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and

whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) read with the Companies (Indian Accounting Standards) Rules, 2015, as

amended specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;

- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid /provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;
 - ii. The Company did not have material foreseeable losses in long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E**

Place: New Delhi
Date: May 21, 2019

**B.K. Sipani
Partner
Membership No. 088926**

Annexure A referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Somany Ceramics Limited)

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
- b. The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature its property, plant and equipment. In accordance with this programme, property, plant & equipment were not physically verified during the year.
- c. According to information and explanations given by the management, the title deeds of immovable properties included in Property, Plant & Equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventories except stock in transit during the year at reasonable interval and no material discrepancies were noticed on such physical verification.
- (iii) The Company has granted unsecured loans to the companies covered in the register maintained under Section 189 of the Companies Act, 2013. The terms and conditions of the grant of such loans are not, *prima facie* prejudicial to the interest of the Company. The Company has stipulated schedule of repayment of principal and payment of interest and repayment of principal and interest are regular, wherever applicable. The Company has not granted any loan to Firms, Limited Liability Partnership or any other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of loan granted, investments made and guarantee or security given. According to information and explanations given by the management, there is no loan granted or guarantee or security provided under section 185 of the Companies Act, 2013.
- (v) The Company has not accepted any deposit covered under sections 73 to 76 of the Companies Act, 2013 during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been prescribed by the Central Government under the section 148 (1) of the Act read with companies (Cost Records and Audit) Rules, 2014 for the goods/ product manufactured by the Company.
- (vii) a. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues deducted/ accrued in the books, with the appropriate authorities. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.
- b. According to the records of the Company, there are no dues outstanding of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, other than the followings:

Name of Statute	Nature of Dues	Period to which it relates	Amount (₹ in Lakhs)	Forum where dispute is pending
The Custom Act, 1962	Demand of Custom Duty	1997-1999	5.91	Deputy Commissioner of Customs, (Import) Tughlakabad
The Central Excise Act, 1944	Demand of Excise Duty	2005-2007	13.04	CESTAT, New Delhi
		1996-2000	9.33	CCE Appeals, Ahmedabad
The Sales Tax Act / The Value Added Tax	Demand of Entry Tax	2013-2017	38.88	High Court of Kolkata
	Demand of Turnover Tax	2006-2008	81.37	Asst. Commissioner, Ahmedabad
		2012-2013	31.69	Deputy Commissioner, Commercial Taxes, Ahmedabad
The Finance Act, 1994	Demand of Service Tax	2007-2009	2.80	Asstt. Commissioner, Rohtak
The Income Tax Act, 1961	Demand of Income Tax	2012-2013	14.11	Commissioner of Income Tax (Appeal), Delhi
		2013-2014	8.95	
		2015-2016	2.91	

- (viii) The Company has not defaulted in repayment of dues to bank and financial institution. The Company did not have any borrowing from Government and dues to debenture holders.
- (ix) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Further in our opinion and explanations given to us, term loans raised during the year were applied for the purpose for which loans were raised.
- (x) According to the information and explanations given to us, no fraud by the Company has been noticed or reported during the year. However, the Company has discovered defalcation of ₹1,585.82 Lakhs committed by an employee, responsible for payment processing of certain imported trading goods. Aforesaid loss has been accounted in these financial statements [Refer Note 49(a)].
- (xi) According to the information and explanations given by the management, managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and details for the same have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

B.K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: May 21, 2019

Annexure B

Report on the Internal Financial controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Somany Ceramics Limited ('the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial controls with reference to financial statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with reference to financial statements

Because of the inherent limitations of Internal Financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over the financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India, however same need to be further strengthened.

Emphasis of Matter

We would draw attention to note no. 49 (a) to the standalone financial statements, with respect to defalcation committed by an employee,

responsible for payment processing of certain imported trading goods which indicate lapses in operating effectiveness of internal financial controls system in respect of payment processing of certain imported trading goods.

Our opinion under Clause (i) of Sub-section 3 of Section 143 of the Act is not qualified in respect of this matter.

Explanatory Statement

The weakness in operating effectiveness of internal financial control system as stated in 'Emphasis of Matter, was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 standalone financial statements of the company and this report does not affect our report dated May 21, 2019, which expressed an unqualified opinion on those standalone financial statements.

For Singh & Co.
Chartered Accountants
Firm Reg. No. 302049E

B.K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: May 21, 2019

Standalone Balance Sheet as at March 31, 2019

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current Assets			
Property, Plant and Equipment	3	37,797.94	37,414.43
Capital work-in-progress		1,273.22	503.23
Other Intangible Assets	3	569.23	770.60
Intangible Assets under Development		-	4.20
Financial Assets			
(i) Investments	4	6,368.01	5,063.44
(ii) Loans	5	4,058.79	2,483.05
(iii) Other Financial Assets	6	911.36	740.36
Other Non-Current Assets	7	113.49	177.83
		51,092.04	47,157.14
Current Assets			
Inventories	8	16,205.62	15,651.52
Financial Assets			
(i) Investments	9	6,853.07	11,433.64
(ii) Trade Receivables	10	41,008.43	47,530.03
(iii) Cash and Cash Equivalents	11	2,400.37	139.92
(iv) Bank Balances other than (iii) above	12	556.33	304.91
(v) Loans	13	6,720.00	1,279.43
(vi) Other Financial Assets	14	526.46	408.91
Current Tax Assets (net)	15	262.36	-
Other Current Assets	16	3,358.46	3,738.38
		77,891.10	80,486.74
Total Assets		1,28,983.14	1,27,643.88
Equity and Liabilities			
Equity			
Equity Share Capital	17	847.59	847.59
Other Equity	18	58,357.67	55,125.38
		59,205.26	55,972.97
Liabilities			
Non- current Liabilities			
Financial Liabilities			
(i) Borrowings	19	9,145.10	7,910.91
(ii) Others Financial Liabilities	20	2,474.11	2,229.95
Provisions	21	456.32	472.31
Deferred Tax Liabilities (Net)	22	4,698.52	4,212.18
Other Non-Current Liabilities	23	338.38	282.72
		17,112.43	15,108.07
Current Liabilities			
Financial Liabilities			
(i) Borrowings	24	15,646.56	17,388.27
(ii) Trade Payables	25		
Outstanding dues of Micro Enterprises and Small Enterprises		87.53	-
Outstanding dues other than Micro Enterprises and Small Enterprises		25,682.00	27,567.26
(iii) Other Financial Liabilities	26	4,436.54	4,038.44
Other Current Liabilities	27	6,727.05	6,928.67
Provisions	28	85.77	65.08
Current Tax Liabilities (net)	29		
		52,665.45	56,562.84
Total Equity and liabilities		1,28,983.14	1,27,643.88
Significant Accounting Policies and other Notes to Financial Statements	1 to 56		
The accompanying Notes are an integral part of the Financial Statements.			

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

B. K. Sipani

Partner

M. No. 088926

Place: New Delhi

Date: May 21, 2019

Shreekant Somany

Chairman & Managing Director

DIN : 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN : 00021448

Ambrish Julka

GM - Legal & Company Secretary

Standalone Statement of Profit & Loss for the Year Ended March 31, 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from Operations	30	1,69,554.98	1,68,164.30
Other Income	31	2,289.01	1,904.56
Total Revenue (I)		1,71,843.99	1,70,068.86
Expenses			
Cost of Materials Consumed	32	20,272.89	20,578.06
Purchases of Stock-in-Trade		85,542.23	83,259.09
Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	33	(1,934.32)	(2,214.11)
Excise duty on Sales		-	1,630.88
Employee Benefit Expense	34	16,584.87	15,329.33
Finance Costs	35	2,611.68	1,765.91
Depreciation and Amortization Expense	3	3,100.15	2,703.63
Other Expenses	36	37,737.59	36,463.53
Total Expenses (II)		1,63,915.09	1,59,516.32
Profit Before Exceptional Items and Tax (I-II)		7,928.90	10,552.54
Exceptional Items (Net)	47	741.28	440.41
Profit before tax		7,187.62	10,112.13
Tax Expense:			
(1) Current Tax	22		
- Current year		2,027.30	3,037.64
- For earlier years		30.78	-
(2) Deferred Tax Charge/(Credit)	22	497.34	564.51
Profit for the year (III)		4,632.20	6,509.98
Other Comprehensive Income (OCI)			
(1) Items that will not be reclassified to profit & loss		(31.47)	(24.34)
Income Tax relating to above	22	11.00	8.50
(2) Items that will be reclassified to profit & loss		-	-
Total Comprehensive Income for the year (IV)		4,611.73	6,494.14
Earnings Per Equity Share (Per Share Value of ₹2 each)	37		
Basic (in ₹)		10.93	15.36
Diluted (in ₹)		10.93	15.36
Significant Accounting Policies and other Notes to Financial Statements	1 to 56		
The accompanying Notes are an integral part of the Financial Statements.			

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

B. K. Sipani

Partner

M. No. 088926

Place: New Delhi

Date: May 21, 2019

Shreekant Somany

Chairman & Managing Director

DIN : 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN : 00021448

Ambrish Julka

GM - Legal & Company Secretary

Standalone Statement of Change in Equity for the Year Ended March 31, 2019

(a) Equity Share Capital & Reconciliation of number of shares outstanding at the beginning and end of the year : (₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	4,23,79,426	847.59	4,23,79,426	847.59
Balance at the beginning of the year				
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	4,23,79,426	847.59	4,23,79,426	847.59

(b) Other Equity (₹ in Lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Capital Redemption Reserve	Security Premium	General Reserve	Retained earnings		
Balance at March 31, 2017	0.03	16,389.03	5,035.33	28,580.67	3.36	50,008.42
Profit for the year	-	-	-	6,509.98	-	6,509.98
Other Comprehensive Income for the year	-	-	-	-	(15.84)	(15.84)
Total comprehensive income for the year	-	-	-	6,509.98	(15.84)	6,494.14
Dividend Paid	-	-	-	1,144.24	-	1,144.24
Dividend Distribution Tax	-	-	-	232.94	-	232.94
Balance at March 31, 2018	0.03	16,389.03	5,035.33	33,713.47	(12.48)	55,125.38
Profit for the year	-	-	-	4,632.20	-	4,632.20
Other Comprehensive Income for the year	-	-	-	-	(20.47)	(20.47)
Total comprehensive income for the year	-	-	-	4,632.20	(20.47)	4,611.73
Dividend Paid	-	-	-	1,144.24	-	1,144.24
Dividend Distribution Tax	-	-	-	235.20	-	235.20
Balance at March 31, 2019	0.03	16,389.03	5,035.33	36,966.23	(32.95)	58,357.67

Capital Redemption Reserve: It represents transfer from Retained Earnings on redemption of Preference Shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Securities Premium: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

General reserve: It represents appropriation of profits by the board of directors. The said reserve is available for payment of dividend to shareholders as per the provisions of the Companies Act, 2013.

Retained Earnings: Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

B. K. Sipani

Partner

M. No. 088926

Place: New Delhi

Date: May 21, 2019

Shreekant Somany

Chairman & Managing Director

DIN : 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN : 00021448

Ambrish Julka

GM - Legal & Company Secretary

Standalone Cash Flow Statement for the Year Ended March 31, 2019

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash Flow From Operating Activities		
Net Profit before Tax as per Statement of Profit & Loss	7,187.62	10,112.13
I. Adjusted For:		
Depreciation and Amortisation Expense	3,100.15	2,703.63
Finance Costs	2,611.68	1,765.90
Interest Income	(1,687.31)	(1,467.62)
Profit on Divestment in Subsidiary (Investments) (Net)	(532.03)	-
(Profit)/Loss on Sales of Investments (Net)	(243.92)	(195.16)
Unrealized Foreign Exchange (Gain)/Loss (Net)	(18.86)	33.39
Net Movement on Fair Value of Current Investments	(62.08)	53.41
Provision for Credit Losses	283.22	119.65
Bad Debts	104.33	-
Sundry Balances Written Off	17.79	15.54
Sundry Balance Written Back	(249.50)	(51.11)
(Profit)/Loss on sale of Property Plant and Equipments (Net)	52.76	249.28
Property, Plant and Equipments Discarded /Written off	25.29	-
Operating Profit Before Working Capital Changes	10,589.14	13,339.04
II. Adjusted For:		
Trade and Other Receivables	9,316.27	(8,654.46)
Inventories	(554.11)	(2,463.13)
Trade and Other Payables	(1,457.33)	6,165.33
Cash Generated from Operation	17,893.97	8,386.78
Income Taxes Refund /(Paid)	(2,895.57)	(2,735.19)
Net Cash Flow from Operating Activities (A)	14,998.40	5,651.59
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipments and Intangible Assets	(4,450.48)	(9,329.05)
Sale of Property, Plant and Equipments	322.41	182.28
Proceeds from Redemption of Preference Shares	-	239.19
Investments in Subsidiaries	(1,629.57)	(323.64)
Sale of Investment in Subsidiary	857.03	-
Purchase of Current Investments	(67,639.40)	(57,872.75)
Sale of Current Investments	72,525.95	58,299.46
Interest Received	1,541.49	1,591.83
Inter-Corporate Deposit Given	(9,766.79)	-
Net Cash Outflow in Investing Activities (B)	(8,239.36)	(7,212.68)

Standalone Cash Flow Statement for the Year Ended March 31, 2019

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
C. Cash Flow from Financing Activities		
Proceeds from Non Current Borrowings	4,192.35	3,579.18
Repayment of Non Current Borrowings	(2,918.88)	(2,474.13)
Current Borrowings (net)	(3,452.92)	2,452.70
Proceeds from Short Term Loans	16,550.00	25,400.00
Repayment of Short Term Loans	(14,838.80)	(24,900.00)
Interest Paid	(2,650.89)	(1,764.92)
Dividend Paid (including dividend distribution tax)	(1,379.45)	(1,377.19)
Net Cash Inflow from Financing Activities (C)	(4,498.59)	915.64
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	2,260.45	(645.45)
Add: Opening Cash And Cash Equivalents	139.92	785.37
Closing Cash and Cash Equivalents	2,400.37	139.92

Notes :

- a) Cash & Cash Equivalents represents cash and bank balances (Note No.11).
- b) Figures for the previous year have been regrouped/rearranged wherever considered necessary.
- c) Additional Disclosure required under Ind AS 7, Refer Note No. 53.
- d) The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

For and on behalf of Board of Directors

B. K. Sipani

Partner

M. No. 088926

Shreekant Somany

Chairman & Managing Director

DIN : 00021423

Abhishek Somany

Managing Director

DIN : 00021448

Place: New Delhi

Date: May 21, 2019

Saikat Mukhopadhyay

Chief Financial Officer

Ambrish Julka

GM - Legal & Company Secretary

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

1 Reporting Entity

Somany Ceramics Limited referred to as "the Company" is domiciled in India. The registered office of the Company is at 2, Red Cross Place, Kolkata – 700001 India. Equity shares of the Company are listed in India on the Bombay Stock Exchange and the National Stock Exchange.

The Company has own manufacturing plants in Kadi (Gujarat) and Kassar (Haryana), India. The Company is a manufacturer and trader of a complete decor solutions and its extensive range of products include Ceramic Wall and Floor Tiles, Polished Vitrified Tiles, Glazed Vitrified Tiles, Sanitaryware, Bath Fittings and allied products.

The financial statements of the Company for the year ended March 31, 2019 were authorized for issue in accordance with a resolution of the directors on May 21, 2019.

2 Significant Accounting Policies

Accounting Policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

2.1 Basis of preparation

The standalone financial statements of Somany Ceramics Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit liabilities/(assets): present value of defined benefit obligation less fair value of plan assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest Lakhs, unless otherwise indicated.

2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of leases into finance and operating lease
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

2.5 Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liability is treated as current when it is:

- Expected to be realised/settled or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.6 Property, Plant and Equipment (Fixed Assets)

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment.

Foreign exchange loss/gain arising on long-term foreign currency monetary items existing as on April 1, 2016 used for depreciable assets, which are capitalised as per transitional provision of Ind AS 101 "First time adoption".

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to the Company.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

Particulars	Useful Life
Plant and Machinery	5 - 25 Years
Vehicles	5 Years
Dies & Punches	8 Years

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure.

Leasehold improvements are being amortised over the period of 5 to 10 years.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Individual assets costing below ₹5000 are fully depreciated in the year of purchase.

Capital work-in-progress

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit & Loss.

2.7 Intangible assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit & Loss when the asset is derecognised.

2.8 Non-current assets held for sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.9 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.10 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the Statement of Profit & Loss in the period in which they are incurred.

2.11 Foreign currency transactions

Transactions in foreign currencies are recorded by the Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit & Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- In respect of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind as financial reporting period, the Company has elected to recognise exchange differences on translation of such long term foreign currency monetary items in line with its Previous GAAP accounting policy.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.12 Employee benefits

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

Statement of Profit & Loss. Past service cost is recognised in the Statement of Profit & Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit & Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.13 Revenue Recognition

The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when;

- i) effective control of goods alongwith significant risks and rewards of ownership has been transferred to customer and in case of services, the year in which such services are rendered.
- ii) the amount of revenue can be measured reliably;
- iii) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- iv) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

For incentives offered to customers, the Company makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

2.14 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials and stores & spare parts is computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

Notes to Standalone Financial Statements

for the Year Ended March 31, 2019

2.15 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.16 Measurement of fair value

a) Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

c) Derivatives

Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date. Options are valued using appropriate option pricing models and credit spreads are applied where deemed to be significant.

2.17 Financial instruments

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Statement of Profit & Loss. The losses arising from impairment are recognised in the Statement of Profit & Loss.

Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Notes to Standalone Financial Statements

for the Year Ended March 31, 2019

Financial assets at fair value through Profit & Loss (FVTPL)

Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified as at FVTPL.

In addition, the Company may elect to classify a Financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in FVOCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Statement of Profit & Loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through Profit & Loss include financial liabilities designated upon initial recognition as at fair value through Profit & Loss.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit & Loss.

Financial liabilities designated upon initial recognition at fair value through Profit & Loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit & Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit & Loss.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

2.18 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit & Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit & Loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.19 Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the percentage value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit & Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Profit & Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company.

2.21 Standard issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Amendment to Ind AS 116

Ind AS 116 – 'Leases' is applicable for the accounting period beginning from April 1, 2019. Ind AS 116 will replace the existing Ind AS 17 Leases and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets (Right to use) and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard provide for two broad alternative transition approach- Retrospective Method and Cumulative Effect Method with practical expedient. The Company is in the process of evaluating the impact of transitioning from erstwhile standard i.e. Ind AS 17 to new standard i.e. Ind AS 116 and the transition approach.

Amendment to Other Ind AS

Amendment to Ind AS 19 – Employees Benefits: Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019, in connection with accounting for plan amendments, curtailments and settlements. The Company does not have any impact on account of this amendment.

Amendment to Ind AS 12 – Income taxes: Ministry of Corporate Affairs;

- (a) issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes accordingly an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. There is no impact of this amendment on the financial statements.
- (b) has notified Ind AS 12 Appendix 'C' Uncertainty over Income Tax Treatments on March 30, 2019. According to the appendix, the Company need to determine the probability of the relevant tax authority accepting each tax treatment, or the Company of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company has decided to adjust the cumulative effect in equity on the date of initial application without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Ind AS 23 – Borrowing Costs: The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, than that borrowing becomes part of the general borrowings for calculating the future capitalisation rate. The Company does not expect any significant impact from this amendment.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

3.(i) Property, plant and equipment (2018-19)

Particulars	Gross Block				Depreciation				Net Block	
	March 31, 2018	Additions	Deletions/ Adjustments	March 31, 2019	March 31, 2018	For the Year	Deletions/ Adjustments	March 31, 2019	March 31, 2018	March 31, 2019
Tangible Assets										
Freehold land	581.39	-	-	581.39	-	-	-	-	581.39	581.39
Building	7,397.07	142.07	14.51	7,524.63	653.73	347.99	1.37	1,000.35	6,743.34	6,524.28
Plant and equipment	27,325.44	1,255.88	248.60	28,332.72	1,928.22	1,380.40	51.72	3,256.90	25,397.22	25,075.82
Office Equipment	1,139.93	151.65	11.36	1,280.22	291.97	254.20	7.96	538.21	847.96	742.01
Furniture and fixtures	2,724.57	1,251.22	3.02	3,972.77	421.91	501.47	0.98	922.40	2,302.66	3,050.37
Vehicles	1,972.65	631.26	366.24	2,237.67	525.31	409.47	181.24	753.54	1,447.34	1,484.13
Assets under Finance Lease										
Leasehold land	96.90	247.07	-	343.97	2.38	1.65	-	4.03	94.52	339.94
Total	41,237.95	3,679.15	643.73	44,273.37	3,823.52	2,895.18	243.27	6,475.43	37,414.43	37,797.94

3. (ii) Other Intangible Assets (2018-19)

Particulars	Gross Block				Amortization				Net Block	
	March 31, 2018	Additions	Deletions/ Adjustments	March 31, 2019	March 31, 2018	For the Year	Deletions/ Adjustments	March 31, 2019	March 31, 2018	March 31, 2019
Intangible Assets										
Computer Software	1,028.59	3.60	-	1,032.19	257.99	204.97	-	462.96	770.60	569.23
Total	1,028.59	3.60	-	1,032.19	257.99	204.97	-	462.96	770.60	569.23

3. (i) Property, plant and equipment (2017-18)

Particulars	Gross Block				Depreciation				Net Block	
	March 31, 2017	Additions	Deletions/ Adjustments	March 31, 2018	March 31, 2017	For the Year	Deletions/ Adjustments	March 31, 2018	March 31, 2017	March 31, 2018
Tangible Assets										
Freehold land	581.39	-	-	581.39	-	-	-	-	581.39	581.39
Building	6,767.86	629.21	-	7,397.07	310.71	343.02	-	653.73	6,457.15	6,743.34
Plant and equipment	22,978.00	5,641.44	1,294.00	27,325.44	1,509.63	1,305.59	887.00	1,928.22	21,468.37	25,397.22
Office Equipment	636.18	512.94	9.19	1,139.93	110.57	189.09	7.69	291.97	525.61	847.96
Furniture and fixtures	999.63	1,735.26	10.32	2,724.57	113.29	310.56	1.94	421.91	886.34	2,302.66
Vehicles	1,313.06	710.95	51.36	1,972.65	217.48	344.51	36.68	525.31	1,095.58	1,447.34
Assets under Finance Lease										
Leasehold land	96.90	-	-	96.90	1.19	1.19	-	2.38	95.71	94.52
Total	33,373.02	9,229.80	1,364.87	41,237.95	2,262.87	2,493.96	933.31	3,823.52	31,110.15	37,414.43

3. (ii) Other Intangible Assets (2017-18)

Particulars	Gross Block				Amortization				Net Block	
	March 31, 2017	Additions	Deletions/ Adjustments	March 31, 2018	March 31, 2017	For the Year	Deletions/ Adjustments	March 31, 2018	March 31, 2017	March 31, 2018
Intangible Assets										
Computer Software	129.90	898.69	-	1,028.59	48.32	209.67	-	257.99	81.58	770.60
Total	129.90	898.69	-	1,028.59	48.32	209.67	-	257.99	81.58	770.60

Note:

1. Addition to Plant & Machinery includes foreign exchange loss capitalized ₹52.46 Lakhs (Previous year ₹93.65 Lakhs).
2. Assets pledged and Hypothecated against borrowings: Refer Note No. 19 & 24.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

4. Non-current Investments

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
Investment in Equity Instruments (Unquoted, fully paid up)			
A) Subsidiary Companies (measured at cost)			
a) 1,85,000 Equity Shares (Previous Year - 1,85,000) of ₹10/- each of SR Continental Limited*		18.50	18.50
b) 5,00,000 Equity Shares (Previous Year - 5,00,000) of ₹10/- each of Somany Global Ltd.*		50.00	50.00
c) 53,04,000 Equity Shares (Previous year - 53,04,000) of ₹10/- each of Amora Tiles Pvt. Ltd.		530.40	530.40
d) 76,50,000 Equity Shares (Previous year - 76,50,000) of ₹10/- each of Somany Fine Vitrified Pvt. Ltd.		765.00	765.00
e) 25,10,000 Equity Shares (Previous year - 15,10,000) of ₹10/- each of Somany Excel Vitrified Pvt. Ltd.*		251.00	151.00
f) 50,49,000 Equity Shares (Previous year - 50,49,000) of ₹10/- each of Somany Sanitaryware Pvt. Ltd.		550.01	550.01
g) 45,00,000 Equity Shares (Previous year - 45,00,000) of ₹10/- each of Vintage Tiles Pvt. Ltd.		1,399.50	1,399.50
h) Nil (Previous year - 32,50,000 Equity Shares) of ₹10/- each of Commander Vitrified Pvt. Ltd. (upto July 1, 2018)		-	325.00
i) 25,35,000 Equity Shares (Previous year - 18,85,000) of ₹10/- each of Vicon Ceramics Pvt. Ltd.		253.50	188.50
j) 90,00,000 Equity Shares (Previous year - 36,11,718) of ₹10/- each of Sudha Somany Ceramics Pvt. Ltd. (formerly Sudha Ceramics Pvt. Ltd.)		900.00	361.17
k) 14,60,000 Equity Shares (Previous year - 14,60,000) of ₹10/- each of Acer Granito Pvt. Ltd.		511.00	511.00
l) 45,90,000 Equity Shares (Previous year - 21,33,636) of ₹10/- each of Amora Ceramics Pvt. Ltd.		459.00	213.36
j) 9,48,141 Equity Share (Previous Year - Nil) of ₹10/- each of Somany Bath Fittings Pvt. Ltd. (Formerly known as Karanjot Enterprises Pvt. Ltd.) (Subsidiary w.e.f. May 1, 2018)		680.10	-
		6,368.01	5,063.44
B) Associate (Joint Venture upto June 01, 2017)			
a) Nil (Previous year - 8,93,000) of ₹10/- each of Somany Keraben Pvt. Ltd.		-	89.30
Less: Provision for impairment		-	89.30
		6,368.01	5,063.44

* including share held by the nominee share holders

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

4. Non-current Investments (contd.)

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
a. Aggregate amount of investments are given below:		
Aggregate cost of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate cost of unquoted investments	6,368.01	5,152.74
Aggregated amount of impairment in value of investment	-	89.30

b. None of the above investments are listed on any stock exchange in India or outside India.

5. Loans

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits		
- With Related Parties#	3,708.79	352.00
- With Others	350.00	-
Deposits		
- With Related Parties#	-	2,106.05
- With Others	-	25.00
	4,058.79	2,483.05

For details of loans to related parties, refer Note No. 43, Related Party Transactions.

6. Other Financial Assets

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered Good Unless Stated Otherwise)		
Bank Deposit (Pledge with Government Department)	93.54	88.20
Bank Deposit helds as Margin Money	142.61	134.41
Security Deposits		
- With Related Parties#	105.00	-
- With Others	570.21	517.75
	911.36	740.36

For details of security deposits to related parties, refer Note No. 43, Related Party Transactions.

7. Other Non-Current Assets

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Capital Advance	83.69	174.71
Prepaid Expenses	29.80	3.12
	113.49	177.83

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

8. Inventories

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
(Valued at Lower of Cost and Net Realisable Value)			
(As taken, Valued and Certified by the Management)			
Raw Materials and Packing Materials		2,059.44	2,987.41
Work -in-Progress		625.91	435.46
Finished Goods		7,855.22	6,770.87
Stock in Trade [including in transit stock: Nil (Previous year - ₹11.95 Lakhs)]		3,668.35	3,008.83
Stores and Spares		1,996.70	2,448.95
		16,205.62	15,651.52

- a. Inventories are hypothecated to secure borrowings. Refer to Note No. 19 & 24.
b. Write downs of inventories amounted to ₹217.46 Lakhs (Previous Year ₹151.80 Lakhs).

9. Current Investments

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
A) Investments in Bonds and Non Convertible Debentures (Unquoted) (valued at fair value through profit & loss)			
a) Nil (Previous Year - 37,700 Units) 10.25% SREI Equipment Finance Ltd. - 2022 (NCD)		-	371.01
b) Nil (Previous Year - 9 Units) 11.50% SREI Infrastructure Finance Ltd. (Bonds)		-	90.00
c) Nil (Previous Year - 60 Units) 0.00% ICICI Bank 2018 (Bonds)		-	15.00
d) Nil (Previous Year - 7 Units) 0.00% ICICI Bank 2019 (Bonds)		-	1.75
e) Nil (Previous Year - 20 Units) 0.00% ICICI Bank 2020 (Bonds)		-	5.96
f) Nil (Previous Year - 139 Units) 0.00% ICICI Bank 2022 (Bonds)		-	38.01
g) Nil (Previous Year - 53 Units) 0.00% ICICI Bank 2023 (Bonds)		-	13.04
h) 500 Units (Previous Year - 800 Units) 9.70% U P Power Corporation Ltd 04.07.2031 Bonds (NCD)	524.20	807.20	
i) 111 Units (Previous Year - 116 Units) 10.20% SREI Infrastructure Finance Ltd. 23.03.2020 (NCD)	1,110.00	1,167.31	
j) Nil (Previous Year - 43 Units) 9.37% IL&FS Transportation Networks Ltd 29.10.2027 (Bonds)		-	427.42
k) Nil (Previous Year - 24 Units) 9.25% IL&FS Transportation Networks Ltd 15.12.2022 (Bonds)		-	238.44
l) Nil (Previous Year - 65 Units) 9.00% IL&FS Transportation Networks Ltd 30.11.2027 (Bonds)		-	651.30
m) Nil (Previous Year - 41 Units) 9.37% IL&FS Transportation Networks Ltd 30.11.2027 (Bonds)		-	407.54
n) Nil (Previous Year - 10 Units) 9.83% HVPNL Ltd. 21.01.2026 (Bonds)		-	99.46
o) Nil (Previous Year - 379 Units) 9.80% Jaipur Vidyut Vitaran Nigam Ltd. 30.03.2031 (NCD)		-	375.48
p) 83 Units (Previous Year - 63 Units) 9.00% SREI Infrastructure Finance Ltd. (NCD)	825.85	629.37	
q) Nil (Previous Year - 60 Units) 11.00% Bank of India Perpetual (Bonds)		-	598.80
r) Nil (Previous Year - 100 Units) 9.60% ECL Finance Ltd. 19.12.2025 (Bonds)		-	101.00
s) Nil (Previous Year - 100 Units) 9.50% ECL Finance Ltd. 28.04.2026 (Bonds)		-	100.72
t) Nil (Previous Year - 310 Units) 9.25% Edelweiss Finvest Pvt. Ltd. 04.01.2028 (Bonds)		-	309.85
u) 108 Units (Previous Year - 250 Units) 9.00 % Shriram Transport Finance Co. Ltd. 28.03.2028 (NCD)	1,079.78	2,500.00	

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

9. Current Investments

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
v) Nil (Previous Year - 5 Units) 11.90% Dhanlaxmi Bank 03.05.2018 (NCD)		-	50.00
w) Nil (Previous Year - 24 Units) 0.00% IDFC 17.01.2026 (NCD)		-	163.20
x) Nil (Previous Year - 274 Units) 10.75% IFCI 01.08.2016 (NCD)		-	71.98
y) Nil (Previous Year - 8 Units) 9.10% IL&FS Transportation Networks Ltd 03.02.2023 (Bonds)		-	80.40
z) 105,500 Units (Previous Year - Nil) 9.60% SREI Infrastructure Finance Ltd 25.05.2028 (NCD)		1,053.94	-
aa) 20 Units (Previous Year - Nil) 7.37% NTPC 2031		183.60	-
ab) 201 Units (Previous Year - Nil) 7.20% Power Grid Corporation Ltd 2027#		1,861.26	-
ac) 10 Units (Previous Year - Nil) 7.65% Konkan Railway Corporation Ltd		96.10	-
B) Investments in Mutual Fund (Quoted) (valued at fair value through profit & loss)			
a) Nil (Previous Year - 38,551) Edelweiss Low Duration Fund-Super Institutional Growth Plan		-	800.41
b) Nil (Previous Year - 50,140.745) Reliance Money Manager Growth Fund		-	1,200.66
C) Investments in Equity Instruments (Quoted) valued at fair value through Profit & Loss (fully Paid)			
550 Equity Shares (Previous Year - 550 Equity Shares) of ₹2/- each of Punjab National Bank Ltd.		0.53	0.52
D) Investment in Preference Shares measured at cost			
11,78,100 (Previous Year - 11,78,100) 5% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹10/- each of Somany Fine Vitrified Pvt. Ltd. (Subsidiary company)		117.81	117.81
		6,853.07	11,433.64

Pending transfer in the name of the Company.

Aggregate Book Value of Quoted Investment	0.53	2,001.59
Aggregate Market Value of Quoted Investment	0.53	2,001.59
Aggregate Book Value of Un-Quoted Investment	6,852.54	9,432.05
Aggregate amount of impairment in value of investments	-	-

10. Trade Receivables

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
Unsecured			
Considered Good		39,846.34	46,772.79
Have Significant increase in Credit Risk		1,718.50	1,072.92
Considered Doubtful - Credit Impaired		10.14	-
		41,574.98	47,845.71
Less: Allowances for credit losses		566.55	315.68
		41,008.43	47,530.03

a. Including ₹577.34 Lakhs (Previous Year ₹661.61.15 Lakhs) receivable from related parties.

b. Trade Receivables are hypothecated to secure borrowings. Refer to Note 19 & 24.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

11. Cash & Cash Equivalents

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Balance with Banks		
- Current Accounts	2,383.29	129.40
Cash on Hand	17.08	10.52
	2,400.37	139.92

12. Other Bank Balances

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Earmarked Balances with Banks		
Bank Deposit (Pledge with Government Department)	94.34	89.46
Less:- Shown Under "Other Financial Assets"(More than 12 months)	93.54	0.80
Bank Deposit held as Margin Money	142.61	134.41
Less:- Shown Under "Other Financial Assets"(More than 12 months)	142.61	-
Unclaimed Dividend Accounts	555.53	36.66
Fixed Deposits with Banks	-	266.99
	556.33	304.91

13. Loans

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits		
- to Related Parties#	880.00	36.64
- To Others	5,840.00	600.00
Other Deposits		
- With Related Parties#	-	389.19
- With Others	-	253.60
	6,720.00	1,279.43

For details of loans to related parties, refer Note No. 43, Related Party Transactions.

14. Other Financial Assets

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Accrued Interest	476.69	330.87
Deposit with others	49.77	78.04
	526.46	408.91

15. Current Tax Assets (net)

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance Income Tax / Tax Deducted at Source (Net of Income Tax Provision of ₹15,698.35 Lakhs)	262.36	-
	262.36	-

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

16. Other Current Assets

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Prepaid Expenses	162.63	134.93
Export Incentive Receivable	423.70	327.17
Other Advances	1,401.99	1,687.22
Indirect Tax Recoverable/adjustable	1,370.14	1,589.06
	3,358.46	3,738.38

For details of advances to related parties, refer Note No. 43, Related Party Transactions.

17. Equity Share Capital

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Authorised		
Equity Shares 12,50,00,000 (Previous Year - 12,50,00,000) of ₹2/-each	2,500.00	2,500.00
Issued, Subscribed and Paid up		
Equity Shares 4,23,79,426 (Previous Year - 4,23,79,426) of ₹2/- each fully paid up	847.59	847.59
	847.59	847.59

a. Terms and rights attached to equity shares

The Company has only one class of Equity Shares having face value of ₹2/- each and each shareholder is entitled to one vote per share. Each shareholder have the right in profit / surplus in proportion to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, in proportionate to their individual shareholding in the paid up equity capital of the company.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares	Amount
Outstanding as on April 1, 2017	4,23,79,426	847.59
Equity Shares issued/bought back during the year	-	-
Outstanding at the March 31, 2018	4,23,79,426	847.59
Equity Shares issued/bought back during the year	-	-
Outstanding at the March 31, 2019	4,23,79,426	847.59

c. List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)

	As at March 31, 2019	As at March 31, 2018
i) Bhilwara Holding Limited	92,02,200	92,02,200
ii) Sarvottam Vanijay Limited	63,32,500	63,32,500
iii) Scope Vinimoy Private Limited	35,52,500	35,52,500
iv) Franklin Templeton Mutual Fund	37,50,000	-
v) L And T Mutual Fund Trustee Limited	23,28,590	-
vi) DSP Blackrock	-	23,85,414
	2,51,65,790	2,14,72,614

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

18. Other Equity

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
Capital Redemption Reserve			
Balance at the beginning of the year		0.03	0.03
Addition/ (Transfer) during the year		-	-
Closing balance		0.03	0.03
Security Premium			
Balance at the beginning of the year		16,389.03	16,389.03
Addition/ (Transfer) during the year		-	-
Closing balance		16,389.03	16,389.03
General Reserve			
Balance at the beginning of the year		5,035.33	5,035.33
Addition/ (Transfer) during the year		-	-
Closing balance		5,035.33	5,035.33
Retained earnings			
Balance at the beginning of the year		33,713.47	28,580.67
Profit for the year		4,632.20	6,509.98
Amount available for appropriation		38,345.67	35,090.65
Less : Appropriation:			
Dividend Distributed		1,144.24	1,144.24
Dividend Distribution Tax		235.20	232.94
Closing Balance		36,966.23	33,713.47
Other Comprehensive Income			
Balance at the beginning of the year		(12.48)	3.36
Other Comprehensive Income for the year		(20.47)	(15.84)
Closing Balance		(32.95)	(12.48)
Total Other Equity		58,357.67	55,125.38

19. Borrowings

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
Secured			
Term Loans			
- from Banks		11,643.02	7,417.50
- From Others		-	-
Car Loans			
- From Banks		1,108.61	1,117.81
- From Others		-	0.77
Buyer's Credit		-	2,942.07
		12,751.63	11,478.15
Less: Current Maturities of Non Current Borrowings			
Term loans			
- from Banks		3,233.40	3,225.00
Car Loans			
- from Banks		373.13	341.47
- From Others		-	0.77
		3,606.53	3,567.24
		9,145.10	7,910.91

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

19. Borrowings

Notes

- a Rupee loan of ₹337.50 Lakhs (Previous Year ₹1,012.50 Lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future. The aforesaid loan is repayable in two equal quarterly installments from June, 2019.
- b Rupee loan of ₹450.00 Lakhs (Previous Year ₹900.00 Lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future. The aforesaid loan is repayable in four equal quarterly installments from June, 2019.
- c Rupee loan of ₹3,635.25 Lakhs (Previous Year ₹2,505.00 Lakhs) from a Bank and Buyers'/Suppliers' credit of ₹Nil (Previous Year ₹2,215.56 Lakhs) Equivalent to aggregate of USD Nil Lakhs and Euro Nil (Previous Year Equivalent to aggregate of USD 27.25 Lakhs and Euro 5.33 Lakhs) are secured by first pari passu charges by way of hypothecation of Plant & Machinery and other movable fixed assets of the company situated at Kassar and Kadi plants excluding those exclusively charged to other Banks and second pari passu charge over current assets of the company both present and future. Repayment of aforesaid loan is ₹1,450.00 Lakhs, ₹1,700.00 Lakhs, and ₹485.26 Lakhs, FY20, FY21 and FY22 respectively.
- d Rupee loan of ₹7,220.27 Lakhs (Previous Year ₹3,000.00 Lakhs) from a Bank and Buyers' credit of ₹Nil (Previous Year ₹726.51 Lakhs) Equivalent to aggregate of USD Nil (Previous Year Equivalent to aggregate of USD 11.10 Lakhs) are secured by first pari passu charge by way of hypothecation of all movable fixed assets, both present and future, of the Company at Kassar & Kadi excluding assets those exclusively charged to other Banks. Repayment of aforesaid loan is ₹995.90 Lakhs, ₹1,120.39 Lakhs, ₹1,891.80 Lakhs, ₹2,091.80 Lakhs and ₹1,120.38 Lakhs in FY20, FY21, FY22, FY23 and FY24 respectively.
- e Car loan from Banks and others are secured by hypothecation of cars purchased there under and are repayable in monthly installments over the period of loan.
- f Rate of interest applicable to all term loans is linked with MCLR.

20. Other Financial Liabilities

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Trade Deposits	2,107.69	1,871.35
Security Deposits	163.92	183.92
Others	202.50	202.50
	2,474.11	2,257.77
Less:-Current Maturities	-	27.82
	2,474.11	2,229.95

21. Provisions (Non Current)

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Employees Benefits	456.32	472.31
	456.32	472.31

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

22. Deferred tax liabilities (net)

A. Movement in deferred tax balances

Particulars	As at March 31, 2018	Recognized in P&L	Recognized in OCI	(₹ in Lakhs) As at March 31, 2019
Deferred Tax Assets				
Accrued expenses	376.19	68.75	11.00	455.94
Others	-	-	-	-
Sub- Total (a)	376.19	68.75	11.00	455.94
Deferred Tax Liabilities				
Property, plant and equipments & Intangible assets	4,578.61	558.02	-	5,136.63
Others	9.76	8.07	-	17.83
Sub- Total (b)	4,588.37	566.09	-	5,154.46
Net Deferred Tax Liability (b)-(a)	4,212.18	497.34	(11.00)	4,698.52

Particulars	As at April 1, 2017	Recognized in P&L	Recognized in OCI	(₹ in Lakhs) As at March 31, 2018
Deferred Tax Assets				
Accrued expenses	314.37	53.32	8.50	376.19
Others	-	-	-	-
Sub- Total (a)	314.37	53.32	8.50	376.19
Deferred Tax Liabilities				
Property, plant and equipments & Intangible assets	3,920.15	658.46	-	4,578.61
Others	50.39	(40.63)	-	9.76
Sub- Total (b)	3,970.54	617.83	-	4,588.37
Net Deferred Tax Liability (b)-(a)	3,656.17	564.51	(8.50)	4,212.18

B. Amounts recognised in profit or loss

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax expense		
Current year	2,027.30	3,037.64
Income tax for earlier year	30.78	-
	2,058.08	3,037.64
Deferred tax expense		
Origination and reversal of temporary differences	497.34	564.51
	497.34	564.51
Total Tax Expense	2,555.42	3,602.15

C. Amounts recognised in Other Comprehensive Income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred Tax Charge/(Credit)		
Remeasurements of defined benefit obligation	11.00	8.50

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

22. Deferred tax liabilities (net) (contd.)

D. Reconciliation of effective tax rate

	(₹ in Lakhs)			
	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Rate	Amount	Rate	Amount
Accounting profit before tax		7,187.62		10,112.12
Tax using the Company's domestic tax rate	34.94%	2,511.64	34.61%	3,499.62
Tax effect of:				
Non-deductible expenses		106.15		66.78
Changes in estimates related to prior years		30.78		-
Lower tax rate on gain on sale of investment		(61.95)		-
Others (including change in Tax Rate)		(31.20)		35.75
	35.55%	2,555.42	35.27%	3,602.15

23. Other Non-Current Liabilities

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Security Deposits		
Less: Current Maturities	395.05	363.78
	56.67	81.06
	338.38	282.72

24. Borrowings

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Secured Loans:		
Working Capital Facilities from Banks*		
- Cash Credit	5,670.34	9,537.32
- Buyer's Credit	-	1,026.14
Unsecured Loans:		
- From a Banks	4,800.00	3,000.00
- From Banks (Repayable on demand)	0.07	88.87
- Discounting of Bills Payable	5,176.15	3,735.94
	15,646.56	17,388.27

*Working Capital Facilities from Banks are secured by:

- a First charge by way of hypothecation of stocks of raw materials, finished goods and stock in process, stores & spares and book debts and ranking pari-passu; and
- b Second and subservient charge by way of (i) Equitable Mortgage (EM) on all properties, both present and future, and (ii) hypothecation of all movable fixed assets & ranking pari-passu, excluding assets exclusively charged. EM over certain land pieces is yet to be created.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

25. Trade Payables

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Outstanding dues of Micro Enterprises and Small Enterprises#	87.53	-
Outstanding dues other than Micro Enterprises and Small Enterprises	25,682.00	27,567.26
	25,769.53	27,567.26

For MSME disclosure, refer Note No. 51.

For details of payables to related parties, refer Note No. 43, Related Party Transactions.

26. Other Financial Liabilities

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Current Maturities of Non Current Borrowings	3,606.53	3,567.24
Current Maturities of Other Non Current Liabilities	-	27.82
Interest Accrued	-	39.21
Capital Creditors	274.48	367.51
Unclaimed Dividends	555.53	36.66
	4,436.54	4,038.44

27. Other Current Liabilities

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Statutory Dues	1,796.85	1,304.20
Security Deposit (including Current maturities of Other Non Current Liabilities)	84.90	108.18
Advance from Customers	405.27	497.77
Sales Incentive	2,574.85	2,622.61
Others* #	1,865.18	2,395.91
	6,727.05	6,928.67

*includes accruals to employees and others

For details of payables to related parties, refer Note No. 43, Related Party Transactions.

28. Provisions (Current)

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Employees Benefits	85.77	65.08
	85.77	65.08

29. Current Tax Liabilities (net)

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Income Tax (Net of Advance for Previous year is ₹15,401.28 Lakhs)	-	575.12
	-	575.12

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

30. Revenue from Operations

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Sales of Goods	1,68,513.11	1,66,980.39
Other operating revenue		
Scrap Sales	229.20	330.40
Sundry Balance Written Back	249.50	51.11
Insurance Claim Received	158.17	51.58
Income From Services	405.00	774.00
	1,69,554.98	1,68,187.48
Less: Capitalized/ Transferred to CWIP	-	23.18
	1,69,554.98	1,68,164.30

31. Other Income

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income	1,687.31	1,467.62
Profit on Sale of Property, Plant and Equipments	119.21	79.76
Profit on Sale of Current Investments	243.92	195.16
Net Gain on Fair Value of Current Investments	62.08	-
Net Gain on Foreign Currency Translations and Transactions	46.66	130.45
Miscellaneous Income	129.83	125.23
	2,289.01	1,998.22
Less: Capitalized/ Transferred to CWIP	-	93.66
	2,289.01	1,904.56

32. Cost of Materials Consumed

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Material Consumed	16,806.24	16,799.78
Packing Material Consumed	3,466.65	3,955.57
	20,272.89	20,755.35
Less: Capitalized/ Transferred to CWIP	-	177.29
	20,272.89	20,578.06

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

33. Change in Inventories of Finished Goods Work-in-progress and Stock-in-Trade

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Closing Stock		
Finished Goods	7,855.22	6,770.87
Stock-in-Trade	3,668.35	3,008.83
Total Finished Goods	11,523.57	9,779.70
Work-in-Progress	625.91	435.46
	12,149.48	10,215.16
Less: Opening Stock		
Finished Goods*	6,770.87	5,894.67
Stock-in-Trade	3,008.83	2,724.54
Total Finished Goods	9,779.70	8,619.21
Work-in-Progress	435.46	307.70
	10,215.16	8,926.91
(Increase)/ Decrease in Stock	(1,934.32)	(1,288.26)
Add / (Less): (Increase) Decrease in Excise duty on Stock	-	925.85
	(1,934.32)	(2,214.11)

* Previous year figures includes ₹122.84 Lakhs transfer on commissioning of New product line on December 7, 2017.

34. Employee Benefit Expense

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Salary, Wages, Bonus etc.	15,322.23	14,115.91
Contribution to Provident Fund and Gratuity Fund	711.11	694.97
Workmen & Staff Welfare	551.53	542.47
	16,584.87	15,353.35
Less: Capitalized/ Transferred to CWIP	-	24.02
	16,584.87	15,329.33

35. Finance Costs

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest	2,541.84	1,703.14
Other Borrowing Costs	69.84	101.44
	2,611.68	1,804.58
Less: Capitalized/ Transferred to CWIP	-	38.67
	2,611.68	1,765.91

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

36. Other Expenses

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Stores and Spare Parts Consumed	2,692.83	2,618.41
Power & Fuel	18,350.90	16,416.26
Repairs and Maintenance:		
Buildings	126.17	138.87
Plant & Machinery	316.08	377.16
Others	169.73	223.68
Rent	1,003.87	973.19
Rates & Taxes	246.49	115.34
Insurance	445.20	178.42
Travelling and Conveyance	2,319.94	2,310.84
Freight Outward and Handling Charges	3,632.03	4,244.86
Advertisement and Sales Promotion	4,863.43	5,762.97
Commission to Agents	433.01	430.30
CSR Expenses	216.72	192.75
Provision for Credit Losses	283.23	119.65
Bad Debts	136.76	-
Less: Provision for Credit Loss Reversed	32.43	104.33
Investment Written off	89.30	-
Less: Provision for Dimunition in Investment	89.30	-
Sundry Balances Written Off	17.80	15.54
Loss on Sale of Property, Plant and Equipments	171.97	83.33
Property, Plant and Equipments Discarded /Written off	25.29	-
Net Loss on Fair Value of Current Investments	-	53.41
Other Expenses*	2,318.57	2,360.16
	37,737.59	36,615.14
Less: Capitalized/ Transferred to CWIP	-	151.61
	37,737.59	36,463.53

* For Payment to Statutory Auditor, Refer Note No. 45.

37. Earning per share

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit for the year	4,632.20	6,509.98
Weighted average number of equity shares of ₹2/- each	4,23,79,426	4,23,79,426
EPS - Basic and Diluted (Per share in ₹)	10.93	15.36

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

38. Contingent liabilities, contingent assets and commitments as identified by the Company

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
A. Contingent liabilities (not provided for) in respect of:		
1. Claim and other demands against the Company not acknowledged as debts.	168.65	162.92
2. Sales Tax and purchase tax demands, among others against which the Company has preferred appeals.	239.93	296.15
3. Excise and custom duty (excluding interest and penalty) and service tax demands and show-cause notices issued against which the Company/Department has preferred appeals/filed replies.	36.53	36.60
4. Income tax and wealth tax demand disputed by the Company which excludes penalty, if any, as same can not be measured at this stage	25.97	8.95
5. a) Local Area Development Tax imposed by the State of Haryana disputed by the Company.	810.78	810.78
b) Entry Tax matter pending before Hon'ble High Court of Calcutta.	38.88	38.88
6. Demand from ESIC disputed by the Company.	15.41	15.41
Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities. However, the Company has reviewed all its pending litigation and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position. The Company does not expects any payment in respect of the above contingent liabilities.		
B. Surety Bonds executed in favor of various Govt. authorities on behalf of subsidiary/other body corporate.	25.00	25.00
C. Others		
(i) The company has procured certain capital goods under EPCC scheme at concessional rate of duty. As on March 31, 2019 the company is contingently liable to pay differential custom duty of Nil (Previous Year - ₹121.74 Lakhs) on such procurement.		
(ii) In light of recent judgment of Honorable Supreme Court dated 28, February 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence, it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.		
D. Commitments		
i) 'Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	353.70	115.47
(ii) 'The Company, in terms of the Share Subscription cum Shareholders Agreements with associate and subsidiary companies, may contribute funds (loan / equity) in the proportion of its shareholding for the purpose of meeting repayment obligation to banks, financial institutions or other lenders, any statutory liability, liabilities towards fuel suppliers or such other similar liabilities, fund requirement for expansion/ diversification, etc. The Company has committed to a bank, for the same, in respect of one of the subsidiary. The Company shall not withdraw the funds so infused, if any, till the money remain due to bank.		

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

39. Loans and Advances pursuant to Regulation 34(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

Particulars	Outstanding as at March 31, 2019	Maximum Amount Outstanding during the year ended March 31, 2019	Outstanding as at March 31, 2018	(₹ in Lakhs)
				Maximum Amount Outstanding during the previous year ended March 31, 2018
Trade Deposits				
Commander Vitrified Pvt. Ltd.	-	253.55	253.55	510.55
Vintage Tiles Pvt. Ltd.	-	526.00	526.00	526.00
Vicon Ceramic Pvt. Ltd.	-	326.50	326.50	326.50
Amora Tiles Pvt. Ltd.	-	-	-	294.60
Somany Sanitaryware Pvt. Ltd.	-	700.00	700.00	700.00
Somany Fine Vitrified Pvt Ltd.	-	239.19	239.19	239.19
Acer Granito Pvt. Ltd.	-	450.00	450.00	450.00
Inter Corporate Deposits				
Amora Ceramics Pvt. Ltd.	260.10	286.64	286.64	286.64
Sudha Somany Ceramics Pvt. Ltd. (formerly Sudha Ceramics Pvt. Ltd.)	1,257.00	1,257.00	102.00	102.00
Somany Sanitaryware Pvt. Ltd.	1,230.00	1,230.00	-	-
Acer Granito Pvt. Ltd.	450.00	450.00	-	-
Vintage Tiles Pvt. Ltd.	526.00	526.00	-	-
Somany Fine Vitrified Pvt Ltd.	239.19	239.19	-	-
Vicon Ceramic Pvt. Ltd.	526.50	526.50	-	-
Somany Excel Vitrified Pvt. Ltd.	100.00	110.00	-	-
Security Deposit Given				
Sudha Somany Ceramics Pvt. Ltd.	105.00	105.00	-	-

40. Foreign exchange derivatives and exposures outstanding at the year-end:

Particulars	March 31, 2019		March 31, 2018	
	Amount (Foreign Currency in Lakhs)	Amount (Equivalent ₹ in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (Equivalent ₹ in Lakhs)
Open Exposures				
Receivables	USD	12.73	874.06	9.80
Payables	USD	15.05	1,044.56	57.29
Payables	EURO	0.26	20.02	7.40
				600.33

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

41. Details of Investment made, Loan and Guarantee given covered under section 186(4) of Companies Act, 2013

a) Loan given for business purposes

(₹ in Lakhs)

Name	Terms of repayment	For the year ended		Outstanding as on	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Sudha Somany Ceramics Pvt. Ltd.	After one year	1,155.00	102.00	1,257.00	-
Amora Ceramics Pvt. Ltd.	After one year	-	250.00	260.10	250.00
Amora Ceramics Pvt. Ltd.	Within one year	-	36.64	-	36.64
Acer Granito Pvt. Ltd.	After one year	300.00	-	300.00	-
Acer Granito Pvt. Ltd.	Within one year	150.00	-	150.00	-
Vintage Tiles Pvt. Ltd.	After one year	526.00	-	526.00	-
Commander Vitrified Pvt. Ltd.	Within one year	345.00	-	345.00	-
Somany Sanitaryware Pvt. Ltd.	Within one year	730.00	-	730.00	-
Somany Sanitaryware Pvt. Ltd.	After one year	500.00		500.00	-
Somany Fine Vitrified Pvt. Ltd.	After one year	-	-	239.19	-
Somany Excel Vitrified Pvt. Ltd.	After one year	100.00	-	100.00	-
Somany Excel Vitrified Pvt. Ltd.	Within one year	10.00	-	-	-
Vicon Ceramics Pvt. Ltd.	Within one year	200.00	-	526.50	-
Zealous Financial Services Pvt. Ltd.	Within one year	585.00	500.00	1,085.00	500.00
Tinna Rubber & Infrastructure Ltd.	Within one year	-	100.00	100.00	100.00
JSTI Investment Ltd.	Within one year	800.00	-	800.00	-
AM Mobile Telecom Pvt. Ltd.	Within one year	1,800.00	-	1,800.00	-
Devang Consultancy Services Pvt. Ltd.	Within one year	300.00	-	300.00	-
Kushagra Properties Pvt. Ltd.	Within one year	300.00	-	300.00	-
Mentor Financial Services Pvt. Ltd.	Within one year	910.00	-	910.00	-
J R Laddha Financial Services (P) Ltd	Within one year	300.00	-	300.00	-

The above loans carries interest rate in the range of 9.50% to 14.50% (Previous Year 10.50% to 14.50%)

- b) Details of investments made is given in Note No. 4 and 9.
- c) Details of gurantee and security given in Note No. 38 (B) & 38 (D).

42. Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Name	For the year ended	
	March 31, 2019	March 31, 2018
Contribution to Provident Fund and Other Funds	576.69	544.12

Contributions to Provident and other Funds' of the Statement of Profit & Loss includes ₹576.69 Lakhs (Previous year ₹544.12 Lakhs) towards contribution to Provident Fund.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

42. Employee benefits (contd.)

(ii) Defined Benefit Plan:

The Company made provision for gratuity as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the company.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, was measured using the Projected Unit Credit Method.

A. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/liability and its components:

	As at March 31, 2019			As at March 31, 2018		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Opening Balance	1,365.16	1,385.81	(20.65)	1,254.76	1,286.83	(32.06)
Included in profit & loss						
Current service cost	136.02	-	136.02	127.55	-	127.55
Interest cost / (income)	105.25	(106.85)	(1.60)	92.23	(94.58)	(2.36)
Past Service Cost including curtailment Gains/(Losses)	-	-	-	25.67	-	25.67
	241.27	(106.85)	134.42	245.44	(94.58)	150.86
Included in OCI						
Remeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	6.02	-	6.02	(40.56)	-	(40.56)
- experience adjustment	44.66	-	44.66	69.30	-	69.30
- on plan assets	-	(19.21)	(19.21)	-	(4.40)	(4.40)
	50.68	(19.21)	31.47	28.74	(4.40)	24.34
Other						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	(166.65)	-	(166.65)	(163.79)	-	(163.79)
	(166.65)	-	(166.65)	(163.79)	-	(163.79)
Closing Balance	1,490.46	1,511.87	(21.41)	1,365.16	1,385.81	(20.65)

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

42. Employee benefits (contd.)

B. Plan assets

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Fund managed by insurer	100%	100%
	100%	100%

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Discount rate	7.66%	7.71%
Expected rate of future salary increase	5.00%	5.00%
Mortality	100% of IALM (2006 - 08)	

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The company expects to pay ₹147.82 Lakhs (Previous Year ₹141.49 Lakhs) in contribution to its defined benefit plans in the next year.

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

	As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(58.75)	45.51	(53.55)	57.63
Expected rate of future salary increase (0.5% movement)	43.97	(58.17)	56.06	(52.76)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

E. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

- A) Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.
- B) Investment Risk – Assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability / Assets.
- C) Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

43. Related parties

A. Related parties and their relationships

i Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. Shreekant Somany	Chairman & Managing Director
Mr. Abhishek Somany	Managing Director (Son of Chairman & Managing Director)
Mrs. Anjana Somany	Whole time Director (Wife of Chairman & Managing Director)
Mr. G.G. Trivedi	Additional Director w.e.f. September 1, 2017 (CEO upto August 31, 2017)
Mr. T.R. Maheshwari^	CEO w.e.f. January 30, 2018 (Deputy CEO and CFO upto January 29, 2018)
Mr. Saikat Mukhopadhyay^	CFO w.e.f January 30, 2018
Mr. Ambrish Julka^	DGM (Legal) & Company Secretary
Mrs. Minal Somany	Wife of Managing Director
Mr. G. L. Sultania	Non- Executive Director (upto May 24, 2018)
Mr. Siddarath Bindra	Non- Executive Director
Mr. R.K. Daga	Non- Executive Director
Mr. Ravindra Nath	Non- Executive Director
Mr. Salil Singhal	Non- Executive Director
Mr. Y. K. Alagh	Non- Executive Director
Mr. Rameshwar Singh Thakur	Non- Executive Director w.e.f May 24, 2018
Mrs. Rumjhumi Chatterjee	Non- Executive Director w.e.f September 1, 2018
Mr. Narayan Anand	Non- Executive Director (upto April 12, 2017)

[^] KMP under the Companies Act, 2013

ii Subsidiary Company

SR Continental Limited

Somany Bathware Pvt. Ltd. (Formerly known as Somany Global Limited)

Amora Tiles Private Limited

Somany Fine Vitrified Private Limited

Somany Sanitaryware Private Limited

Somany Excel Vitrified Private Limited

Vintage Tiles Private Limited

Commander Vitrified Private Limited (upto July 01, 2018)

Vicon Ceramic Private Limited

Acer Granito Private Limited

Sudha Somany Ceramics Private Limited (Formerly Sudha Ceramics Private Limited) (w.e.f. November 9, 2016)

Amora Ceramics Private Limited (w.e.f. March 30, 2018)

Somany Bath Fittings Pvt. Ltd. (Formerly known as Karanjot Enterprises Pvt. Ltd.) (w.e.f. May 1, 2018)

iii Associate (Joint Venture upto June 01, 2017)

SKPL Ceramics Private Limited (Formerly Somany Keraben Private Limited) upto June 1, 2017*

*The company is struck off during the year.

iv. Enterprise over which Company exercise significant influence and with whom transactions have taken place during the year:

H. L. Somany Foundation

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

43. Related parties (contd.)

- v. Enterprise over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

Schablonia India Limited (w.e.f. January 10, 2018)

Vidres India Ceramics Private Limited

Yogi Cerachem Private Limited

Ishiv India Solutions Private Limited

- vi. Other related parties with which Company has transactions:

Name

Biba Apparels Private Limited Private company in which director is a director

Shree Cement Limited Public company in which director is a director

Wolkem India Limited Public company in which director is a director and holds more than 2% shares alongwith relatives

B. Transactions with the above in the ordinary course of business

(₹ in Lakhs)

Nature of Transaction	For the year ended	
	March 31, 2019	March 31, 2018
a) Payments to Key Managerial Personnel and their relatives		
Mr. Shreekant Somany		
- Remuneration	296.28	340.97
- Commission	45.80	146.14
Outstanding at the year-end:		
- Remuneration Payable	10.16	-
- Commission Payable	45.80	146.14
Mr. Abhishek Somany		
- Remuneration	346.97	294.78
- Commission	-	192.33
- Rent Paid	9.36	8.92
Outstanding at the year-end:		
- Remuneration Payable	14.88	-
- Commission Payable	-	192.33
Mrs. Anjana Somany		
- Remuneration	26.90	26.99
- Rent Paid	3.20	3.05
Outstanding at the year-end:		
- Remuneration Payable	1.76	-
Mrs. Minal Somany		
- Remuneration	2715	2715
- Rent Paid	15.14	17.32
Outstanding at the year-end:		
- Salary Payable	1.30	1.31
Mr. G.G. Trivedi		
- Remuneration	-	197.80
- Consultancy Fees	33.00	29.50
- Commission	5.00	2.90
- Sitting Fees	1.00	0.45

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

43. Related parties (contd.)

Nature of Transaction	For the year ended	
	March 31, 2019	March 31, 2018
Outstanding at the year-end:		
- Commission Payable	4.75	2.61
Mr. T.R. Maheshwari		
- Remuneration	115.20	115.64
Outstanding at the year-end:		
- Salary Payable	4.51	3.50
- Advance Receivable	30.00	30.00
Mr. Saikat Mukhopadhyay		
- Remuneration	102.64	18.18
Outstanding at the year-end:		
- Salary Payable	3.95	5.82
Mr. Ambrish Julka		
- Remuneration	27.66	25.78
Outstanding at the year-end:		
- Salary Payable	1.30	1.06
Non-Executive Directors		
Mr. G. L. Sultania		
- Commission	0.74	5.00
- Sitting Fees	0.30	1.35
Outstanding at the year-end:		
- Commission Payable	0.70	4.50
Mr. Siddharath Bindra		
- Commission	5.00	5.00
- Sitting Fees	0.90	1.20
Outstanding at the year-end:		
- Commission Payable	4.75	4.50
Mr. R.K. Daga		
- Commission	5.00	5.00
- Sitting Fees	1.15	1.40
Outstanding at the year-end:		
- Commission Payable	4.75	4.50
Mr. Ravindra Nath		
- Commission	5.00	5.00
- Sitting Fees	0.55	0.55
Outstanding at the year-end:		
- Commission Payable	4.75	4.50
Mr. Satil Singhal		
- Commission	5.00	5.00
- Sitting Fees	0.75	1.10
Outstanding at the year-end:		
- Commission Payable	4.75	4.50
Mr. Y. K. Alagh		
- Commission	5.00	5.00
- Sitting Fees	0.45	0.20

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

43. Related parties (contd.)

(₹ in Lakhs)

Nature of Transaction	For the year ended	
	March 31, 2019	March 31, 2018
Outstanding at the year-end:		
- Commission Payable	4.75	4.50
Mr. Rameshwar Singh Thakur		
- Commission	4.27	-
- Sitting Fees	0.30	-
Outstanding at the year-end:		
- Commission Payable	4.06	-
Mrs. Rumjhum Chatterjee		
- Commission	2.90	-
- Sitting Fees	0.15	-
Outstanding at the year-end:		
- Commission Payable	2.76	-
Summary of payment made to KMP		
Short term employee benefits*	1,032.06	1,306.20
Post employment benefits	-	118.73
Other Payments	60.70	58.79
* excludes provision in respect of gratuity, compensated absences etc. as the same is determined on an actuarial basis for company as whole and includes commission to directors which is payable after approval of shareholders in annual general meeting.		
b) With Subsidiary Companies are as under		
SR Continental Limited		
- Rent paid	0.24	0.87
- Payment made on their behalf	11.60	1.00
Outstanding at the year end:		
- Trade payable	-	0.78
- Co-surety taken	12.50	12.50
Somany Bathware Pvt. Ltd. (Formerly known as Somany Global Limited)		
- Payment made on their behalf	1.35	2.11
Amora Tiles Private Limited		
- Purchase of goods	6,416.63	9,366.39
- Sale of goods	-	21.02
- Technical services provided	45.00	180.00
- Interest received	-	32.35
- Deposit received back	-	294.60
Outstanding at the year end:		
- Trade payable	-	278.25
- Other receivable	232.63	-
Somany Sanitaryware Private Limited		
- Investment made	-	-
- Purchase of goods	4,990.57	3,478.20
- Sales of goods	249.83	204.46
- Interest received	109.60	76.34
- Deposit given	-	100.00
- Deposit received back	700.00	-
- ICD given	1,230.00	-

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

43. Related parties (contd.)

(₹ in Lakhs)

Nature of Transaction	For the year ended	
	March 31, 2019	March 31, 2018
Outstanding at the year-end:		
- Trade payable	726.04	505.37
- Other receivable	-	188.83
- Deposit/ICD recoverable	1,250.00	700.00
Somany Fine Vitrified Private Limited		
- Purchase of goods	8,556.71	9,620.70
- Interest received	25.11	0.21
- Deposit given	-	239.19
Outstanding at the year-end:		
- Trade payable	3,031.89	2,661.13
- Deposit/ICD recoverable	239.19	239.19
Somany Excel Vitrified Pvt Ltd		
- ICD given	110.00	-
- ICD received back	10.00	-
- Interest received	4.07	-
- Investment in Equity Shares	100.00	-
Outstanding at the year-end:		
- Deposit/ICD receivable	100.00	-
- Advance recoverable	-	2.51
- Interest receivable	3.66	-
Vintage Tiles Private Limited		
- Purchase of goods	12,905.49	10,651.68
- Fees received for technical services	180.00	180.00
- Interest received	62.77	63.12
- Deposit received back	526.00	-
- ICD given	526.00	-
Outstanding at the year-end:		
- Other receivable	-	385.82
- Trade payable	612.41	-
- Deposit/ICD recoverable	526.00	526.00
Commander Vitrified Private Limited		
- Purchase of goods	1,618.72	5,757.54
- Sales of goods	-	8.57
- Fees received for technical services	-	187.20
- Interest received	7.24	28.22
- Deposit given	-	93.00
- Deposit received back	-	350.00
Outstanding at the year-end:		
- Other receivable	-	355.12
- Deposit/ICD recoverable	-	253.55
- Interest receivable	-	-

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

43. Related parties (contd.)

(₹ in Lakhs)

Nature of Transaction	For the year ended	
	March 31, 2019	March 31, 2018
Vicon Ceramic Private Limited		
- Purchase of goods	4,258.08	5,603.47
- Fees received for technical services	-	46.80
- Interest received	51.41	39.18
- ICD given	200.00	-
- Investment in equity shares	65.00	-
Outstanding at the year-end:		
- Trade payable	366.65	170.44
- Deposit/ICD recoverable	526.50	326.50
Acer Granito Private Limited		
- Purchase of goods	9,341.19	9,849.73
- Fees received for technical services	180.00	180.00
- Interest received	36.17	36.25
- Deposit given	-	150.00
- Deposit received back	450.00	150.00
- ICD given	450.00	-
Outstanding at the year-end:		
- Trade payable	1,643.18	1,811.07
- Deposit/ICD recoverable	450.00	450.00
Sudha Somany Ceramics Private Limited		
- Purchase of goods	27.23	-
- Sale of goods	4.63	-
- Investment made	538.83	110.27
- ICD given	1,155.00	102.00
- Security deposit given	105.00	-
- Interest received	99.54	1.32
- Investment in equity shares	245.64	-
Outstanding at the year-end:		
- Trade Payable	27.50	-
- Interest receivable	90.78	119
- Security deposit receivable	105.00	-
- ICD receivable	1,257.00	102.00
Amora Ceramics Pvt. Ltd.		
- Purchase of goods	3,014.57	-
- Interest received	27.50	5.66
- Deposit given	-	286.64
- Investment in equity shares	245.64	213.36
Outstanding at the year-end:		
- Deposit/ICD recoverable	260.10	286.64
- Trade payable	260.06	-
- Interest recoverable	-	5.09

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

43. Related parties (contd.)

(₹ in Lakhs)

Nature of Transaction	For the year ended	
	March 31, 2019	March 31, 2018
Somany Bath Fittings Pvt. Ltd. (Formerly known as Karanjot Enterprises Pvt. Ltd.)		
- Investment in equity shares	680.10	-
- Purchase of goods	2,025.40	-
Outstanding at the year-end:		-
- Trade payable	248.54	-
c) SKPL Ceramics Private Limited		
- Payment made on their behalf	-	0.14
d) With Other Related Parties are as under:-		
Schablonia India Limited		
- Purchase of goods	90.57	57.41
- Sales of goods	117.61	338.47
- Rent received	0.45	3.66
Outstanding at the year-end:		
- Sundry payables	-	14.03
- Trade receivable	575.59	654.30
- Co-surety taken	12.50	12.50
Biba Apparels Private Limited		
- Sale of goods	3.67	7.31
Outstanding at the year-end:		
- Trade receivable	1.75	0.20
Shree Cement Limited		
- Purchase of goods	82.70	34.26
Wolkem India Limited		
- Purchase of goods	10.76	11.61
Yogi Cerachem Private Limited		
- Purchase of goods	4.21	33.39
Outstanding at the year-end:		
- Trade payable	-	1.77
Vidres India Ceramics Private Limited		
- Purchase of goods	3,189.25	4,100.41
- Sale of Fixed Assets	7.18	
Outstanding at the year-end:		
- Trade payable	346.92	155.38
H. L. Somany Foundation		
- Contribution towards CSR Activities	202.84	180.52
- Payments made on their behalf	5.70	1.39
Ishiv India Solution Private Limited		
- Purchase of goods	164.94	184.44
- Services received	2.77	23.37
Outstanding at the year-end:		
- Trade payable	8.47	8.89

For guarantee and surety given to related parties, refer Note 38(B) and Note 38(D)(ii)

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

44. Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

Particulars	As at March 31, 2019		As at March 31, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investments				
Current	6,735.26	-	11,315.83	-
Loans				
Non current	-	4,058.79	-	2,483.05
Current	-	6,720.00	-	1,279.43
Trade receivables	-	41,008.43	-	47,530.03
Cash and cash equivalents	-	2,400.37	-	139.92
Bank balances other than above	-	556.33	-	304.91
Others				
Non current	-	911.36	-	740.36
Current	-	526.46	-	408.91
	6,735.26	56,181.74	11,315.83	52,886.61
Financial liabilities				
Borrowings				
Non current	-	9,145.10	-	7,910.91
Current	-	15,646.56	-	17,388.27
Other financial liabilities				
Non Current	-	2,474.11	-	2,229.95
Current	-	4,436.54	-	4,038.44
Trade payables	-	25,769.53	-	27,567.26
	-	57,471.84	-	59,134.83

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value recurring fair value measurement.

(₹ in Lakhs)

Particulars	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	0.53	6,734.73	-	6,735.26
Total financial assets	0.53	6,734.73	-	6,735.26

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

44. Financial instruments – Fair values and risk management (contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	2,001.59	9,314.24	-	11,315.83
Total financial assets	2,001.59	9,314.24	-	11,315.83

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

C. Financial assets and liabilities measured at amortised cost

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans				
Non Current	4,058.79	4,058.79	2,483.05	2,483.05
Current	6,720.00	6,720.00	1,279.43	1,279.43
Trade receivables	41,008.43	41,008.43	47,530.03	47,530.03
Cash and cash equivalents	2,400.37	2,400.37	139.92	139.92
Bank balances other than above	556.33	556.33	304.91	304.91
Others				
Non Current	911.36	911.36	740.36	740.36
Current	526.46	526.46	408.91	408.91
	56,181.74	56,181.74	52,886.61	52,886.61
Financial liabilities				
Borrowings				
Non current	9,145.10	9,145.10	7,910.91	7,910.91
Current	15,646.56	15,646.56	17,388.27	17,388.27
Other Financial Liability				
Non current	2,474.11	2,474.11	2,229.95	2,229.95
Current	4,436.54	4,436.54	4,038.44	4,038.44
Trade payables	25,769.53	25,769.53	27,567.26	27,567.26
	57,471.84	57,471.84	59,134.83	59,134.83

The management considers that the carrying amount of financial assets and financial liabilities carried as amortised cost approximates their fair value.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

44. Financial instruments – Fair values and risk management (contd.)

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to control risks through defined framework.

The Company's risk management policy is established to identify and analyse the risks faced by the Company, to set appropriate controls. Risk management policy is reviewed by the board annually to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees compliance with the Company's risk management policy, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Financial loss to the Company, arising, if a customer or counterparty to a financial instrument fails to meet its contractual obligations principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk closely both in domestic and export market.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sales credit limit are set up for each customer and reviewed periodically. The credit risk from loans to other corporate is managed in accordance with the Company's fund management policy that includes parameters of safety, liquidity and post tax returns. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank reference checks are also done.

The Company creates allowances for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The gross carrying amount of trade receivables is ₹41,574.98 Lakhs (Previous year – ₹47,845.71 Lakhs)..

Reconciliation of loss allowance provision – Trade receivables

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Opening balance	315.68	216.25
Changes in loss allowance	250.87	99.43
Closing balance	566.55	315.68

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

44. Financial instruments – Fair values and risk management (contd.)

Investments

Company invests in Bonds, Debentures, Liquid Mutual Funds etc., in accordance with the Company's Investment Policy that includes parameters of safety, liquidity and post tax returns. Company avoids the concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position as well as held to maturity policy. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default.

iii. Liquidity risk

Liquidity risk is the risk that the Company may face difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, sufficient liquidity to meet its obligations, under both normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

(₹ in Lakhs)

Particulars	Carrying Amount March 31, 2019	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Non current Borrowings	12,751.63	-	3,606.53	9,145.10	-
Other non-current financial liabilities	2,474.11	-	-	2,474.11	-
Current borrowings	15,646.56	5,670.41	9,976.15	-	-
Trade payables	25,769.53	-	25,769.53	-	-
Other current financial liabilities	830.01	-	830.01	-	-
Total financial liabilities	57,471.84	5,670.41	40,182.22	11,619.21	-

(₹ in Lakhs)

Particulars	Carrying Amount March 31, 2018	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Non current Borrowings	11,478.15	-	3,567.24	7,910.91	-
Other non-current financial liabilities	2,257.77	-	27.82	2,229.95	-
Current borrowings	17,388.27	9,626.19	7,762.08	-	-
Trade payables	27,567.26	-	27,567.26	-	-
Other current financial liabilities	443.38	-	443.38	-	-
Total financial liabilities	59,134.83	9,626.19	39,367.78	10,140.86	-

iv. Market risk

Risk on account of changes in foreign exchange rates, interest rates etc. that may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk is to optimize the return by managing and controlling the market risk exposures within acceptable parameters.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

44. Financial instruments – Fair values and risk management (contd.)

v. Currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO. The risk is measured through a forecast of highly probable foreign currency cash flows.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows (Foreign currency in Lakhs).

Particulars	As at March 31, 2019		As at March 31, 2018	
	USD	EUR	USD	EUR
Trade receivables (A)	12.73	-	9.80	-
Payables (B)	15.05	0.26	57.29	7.40
Net statement of financial position exposure (B-A)	2.32	0.26	47.49	7.40

The following significant exchange rates have been applied

Particulars	Average Rates		Year end spot rates	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD 1	69.94	64.44	69.39	65.43
EUR 1	80.96	75.42	78.33	81.12

Sensitivity analysis

Every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Company's incremental profit before tax and equity, net of tax as per below :

(₹ in Lakhs)

Particulars	(Profit) or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2019				
USD (10% movement)	(16.11)	16.11	(10.48)	10.48
EUR (10% movement)	(2.00)	2.00	(1.30)	1.30
March 31, 2018				
USD (10% movement)	(310.73)	310.73	(202.15)	202.15
EUR (10% movement)	(51.69)	51.69	(33.63)	33.63

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2019 and March 31, 2018, the Company's borrowings at variable rate were denominated mainly in Indian Rupees.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

44. Financial instruments – Fair values and risk management (contd.)

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	(₹ in Lakhs)	
	March 31, 2019	March 31, 2018
Fixed-rate instruments		
Financial assets	18,543.49	13,680.09
Financial liabilities	8,016.37	5,989.93
	26,559.86	19,670.02
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	22,489.51	24,747.84
	22,489.51	24,747.84

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

(₹ in Lakhs)

Particulars	(Profit) or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2019				
Variable-rate instruments				
Financial liabilities	(112.45)	112.45	(73.10)	73.10
Cash flow sensitivity	(112.45)	112.45	(73.10)	73.10
March 31, 2018				
Variable-rate instruments				
Financial liabilities	(123.74)	123.74	(80.44)	80.44
Cash flow sensitivity	(123.74)	123.74	(80.44)	80.44

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

45. Payment to Auditors

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Statutory audit fee	10.50	10.50
Tax audit fee	2.50	2.50
Certification fee	4.39	6.84
Audit of opening and comparative financials	-	12.90
Reimbursement of expenses	1.19	1.21
Total	18.58	33.95

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

46. The Company has taken warehouse locations on operating lease. The operating lease arrangements are renewable on periodic basis. Some of these agreements have price escalation clauses.

Particulars	For the year ended		(₹ in Lakhs)
	March 31, 2019	March 31, 2018	
Not later than one year	591.48	568.00	
Later than one year and not later than five years	1,842.28	2,082.82	
Later than five years	724.43	1,075.38	

47. Exceptional item of ₹741.28 Lakhs consists of (i) Gain of ₹532.02 Lakhs from divestment of investment in Commander Vitrified Pvt. Ltd. (ii) Gain of ₹510.73 Lakhs on account of provision written back, created earlier towards levy of additional tax on procurement of natural gas in Haryana plant (iii) Loss of ₹198.21 Lakhs due to non-recoverability of an insurance claim in respect of loss of stock due to fire (iv) Loss of ₹1,585.82 Lakhs due to defalcation committed by an employee (refer note 49 (a) below).

48. Out of ₹11,999.97 Lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilized ₹1,849.97 Lakhs (previous year ₹1,849.97 Lakhs), including issue expenses of ₹307.34 Lakhs, for the purpose the fund were so raised and balance ₹10,150.00 Lakhs (previous year ₹10,150.00 Lakhs) has been temporarily invested mainly in the debt instruments/ funds.

49. Events after the Balance Sheet Date

- (a) Post balance sheet date, the Company has discovered defalcation of ₹1585.82 Lakhs committed by an employee, responsible for payment processing of certain imported trading goods. Matter is being investigated by law enforcement agencies. The Company has insured such defalcation risks under "Employee Dishonesty Insurance Policy". The Company is confident of recovering the same. However, as a matter of abundant caution, the same has been accounted for in books of accounts, being an adjusting event as per Ind AS 10 ('Event after the Reporting Period').
- (b) The Board of directors has recommended dividend of ₹2.00 (Previous Year ₹2.70) per equity share aggregating ₹1,021.81 Lakhs (Previous Year ₹1,379.45 Lakhs) including corporate dividend tax of ₹174.22 Lakhs (Previous Year ₹235.20 Lakhs) for the financial year ended March 31, 2019 and same is subject to approval of shareholders at the ensuing Annual General Meeting.

50. Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Ceramic Tiles and Allied products" and substantially sale of the product is within the country. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

51. Based on the information available, as identified by the management there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Principal amount and Interest due thereon remaining unpaid to any supplier as on	-	-
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

51. (contd.)

Particulars	As at March 31, 2019	As at March 31, 2018	(₹ in Lakhs)
the amount of interest accrued and remaining unpaid during the accounting year.	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-	-

52. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Company.

Particulars	As at March 31, 2019	As at March 31, 2018	(₹ in Lakhs)
Equity Share Capital	847.59	847.59	
Other Equity	58,357.67	55,125.37	
Total Equity	59,205.26	55,972.96	
Non-Current Borrowings	9,145.10	7,910.91	
Current maturities of Non-Current Borrowings	3,606.53	3,567.24	
Current Borrowings	15,646.56	17,388.27	
Total Debts	28,398.19	28,866.42	

53. Changes in Liabilities and Asset from Financing Activities are as under:

Particulars	As at March 31, 2019	Cash Flow	Non- Cash Changes		As at March 31, 2018	(₹ in Lakhs)
			Foreign Exchange Movement	Others		
Non Current borrowings	12,751.63	1,273.48	-	-	11,478.15	
Current borrowings	15,646.56	(3,452.92)	-	-	17,388.27	
Equity Share Capital	847.59	-	-	-	847.59	
Security Premium Reserve	16,389.03	-	-	-	16,389.03	
Total liabilities from financing activities	45,634.81	(2,179.44)	-	-	46,103.04	

Particulars	As at March 31, 2018	Cash Flow	Non- Cash Changes		As at March 31, 2017	(₹ in Lakhs)
			Foreign Exchange Movement	Others		
Non Current borrowings	11,478.15	1,105.05	23.30	-	10,349.80	
Current borrowings	17,388.27	2,952.70	25.18	-	14,410.39	
Equity Share Capital	847.59	-	-	-	847.59	
Security Premium Reserve	16,389.03	-	-	-	16,389.03	
Total liabilities from financing activities	46,103.04	4,057.75	48.48	-	41,996.81	

Notes to Standalone Financial Statements for the Year Ended March 31, 2019

54. The company has made investments in Subsidiary Companies as detailed below:

Particulars	Country of Incorporation	Percentage of holding as at March 31, 2019	Percentage of holding as at March 31, 2018
SR Continental Ltd.	India	100%	100%
Somany Bathware Ltd. (Formerly known as Somany Global Ltd.)	India	100%	100%
Amora Tiles Private Ltd.	India	51%	51%
Somany Fine Vitrified Pvt. Ltd.	India	51%	51%
Somany Sanitaryware Pvt. Ltd.	India	51%	51%
Somany Excel Vitrified Pvt. Ltd.	India	100%	100%
Vintage Tiles Pvt. Ltd.	India	50%	50%
Commander Vitrified Pvt. Ltd. (Ceases w.e.f. June 30, 2018)	India	-	26%
Vicon Ceramic Pvt. Ltd.	India	26%	26%
Acer Granito Pvt. Ltd.	India	26%	26%
Sudha Somany Ceramics Pvt. Ltd (Formerly known as Sudha Ceramics Pvt. Ltd.)#	India	60%	51%
Amora Ceramics Pvt. Ltd. (w.e.f. March 30, 2018)	India	51%	51%
Somany Bath Fittings Pvt. Ltd. (Formerly known as Karanjot Enterprises Pvt. Ltd.) (w.e.f. May 1, 2018)	India	51%	-

* the company has divest in the subsidiary w.e.f 30th June,2018.

The company has increased their investment from 51% to 60% w.e.f. May 1, 2018.

55. The Board of Directors of the Company has approved a Scheme for Amalgamation of Bhilwara Holdings Limited, Sarvottam Vanijya Limited and Scope Vinimoy Private Limited with the Company under section 230 to 232 of the Companies Act, 2013 with effect from 1st April 2018, the Appointed Date fixed for the purpose. The Scheme has been filed before National Company Law Tribunal Kolkata bench, (NCLT) for necessary approval. The Scheme will be made effective by the Board of Directors of the Company upon receipt of the approvals from the NCLT. Equity Shares to be allotted on amalgamation shall rank pari passu with the existing equity shares of the Company from the date of allotment. Shares allotted on amalgamation will be entitled for dividend from the Appointed Date. Pending approval of the scheme, no accounting treatment under Ind AS 103 ("Business Combination") has been given.

56. The figures for the previous periods have been regrouped/ rearranged, wherever considered necessary, to conform current period classifications.

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

B. K. Sipani

Partner

M. No. 088926

Place: New Delhi

Date: May 21, 2019

For and on behalf of Board of Directors

Abhishek Somany

Managing Director

DIN : 00021448

Shreekant Somany

Chairman & Managing Director

DIN : 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Ambrish Julka

GM - Legal & Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members
of Somany Ceramics Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Somany Ceramics Limited ("the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued

by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed and information obtained to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements. The components' auditors have not reported any key audit matter in their audit reports.

S.N.	Key Audit Matter	Auditor's Response
1.	Valuation of trade and other receivables The Parent Company assesses periodically and at each financial year end, expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics.	How our audit addressed the key audit matter: We obtained an understanding of the Parent Company's credit policy for trade receivables, process of approvals and terms and conditions for granting inter corporate deposits and business exigencies for other receivables and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade and other receivables and management's assessment on the credit worthiness of selected

S.N.	Key Audit Matter	Auditor's Response
1.	We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade and other receivables as at the reporting date.	<p>customers for trade receivables and recoverability of other receivables. We have obtained yearend balance confirmations for inter corporate deposits. We further discussed with the key management on the adequacy of the allowance for credit losses recorded by the Parent Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed adequacy and appropriateness of allowance for credit losses based on available information.</p> <p>Our Observation: Based on our audit procedures performed, we found management's assessment of the recoverability of trade and other receivables to be reasonable and the disclosures to be appropriate.</p>
2.	<p>Valuation of inventories The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment.</p> <p>Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, shelf life and turnover rate.</p>	<p>How our audit addressed the key audit matter: We have checked and analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the key management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date.</p> <p>Our Observations: We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.</p>
3.	<p>Valuation of Current Investments Current investments include quoted equity shares, debentures, bonds and mutual funds. Fair valuation of unquoted current investments involves significant estimation uncertainty, subjective assumptions and the application of significant judgment.</p> <p>This was an area of focus for our audit and the area where significant audit effort was directed.</p>	<p>How our audit addressed the key audit matter: Our audit procedures included updating our understanding of the processes employed by the Parent Company for accounting and valuing their current investments. We have reviewed year end confirmation of mutual funds and depository participants except in case of one investment which is pending for transfer in the name of Parent Company for which contract notes and confirmation from seller is available. We have verified that the Company was the recorded owner of all investments except as stated above. Our audit procedures over the valuation of the Investments included reviewing valuation of all Investments held at March 31, 2019.</p> <p>Our Observation: Based on the audit procedures performed we are satisfied with existence and valuation of investment.</p>
4.	<p>Evaluation of uncertain levy of duty/ tax positions The Parent Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p>How our audit addressed the key audit matter: We have obtained details of tax assessments and demands from management. We considered management's assessment of validity and adequacy of provisions for uncertain tax positions, evaluating basis of assessment and reviewing relevant correspondence including any information regarding similar cases with relevant tax authorities. We have involved our internal experts to challenge management's assumptions in estimating tax provision and possible outcome of disputes.</p> <p>Our Observations: We considered management's assessment of validity and adequacy of provisions for uncertain tax positions, evaluating basis of assessment and reviewing relevant correspondence including any information regarding similar cases with relevant tax authorities. In respect of various tax demands and liabilities, we assessed appropriateness of management's assumptions and estimates.</p>

Other Information

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective companies included in the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Parent company and of its subsidiaries are responsible for assessing the ability of the Company and of its subsidiaries to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Parent Company and of its subsidiaries are also responsible for overseeing the financial reporting process of the Parent Company and of its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Parent Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events

or conditions may cause the Parent Company and its subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent Auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other Auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- a. We did not audit the financial statements of five subsidiaries, whose total revenues of ₹7,082 Lakhs and total profit after tax of ₹102 Lakhs for the year ended March 31, 2019 included in the consolidated financial statements. These financial statements have been audited by other auditors, whose unmodified reports have been furnished to us by the management and our opinion on the consolidated financial

statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the respective audit reports.

- b. We did not audit the financial statements of seven subsidiaries, whose total revenues of ₹46,017 Lakhs and total profit after tax of ₹1,194 Lakhs for the year ended March 31, 2019 included in the consolidated financial statements, whose audited financial statements were adjusted to align with accounting policies of the Parent Company for preparing consolidated financial statements of the Group. These adjusted financial statements were audited by other auditors whose unmodified fit for consolidation reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on fit for consolidation reports of the other auditors.
- c. We did not audit the financial statements of a subsidiary, whose revenues of ₹3,488 Lakhs and loss after tax of ₹87 Lakhs for the period ended June 30, 2018 included in the consolidated financial statements as it ceased to be a subsidiary w.e.f. July 01, 2018, whose reviewed financial statements were adjusted to align with accounting policies of the Parent Company for preparing consolidated financial statements of the Group. These adjusted financial statements was reviewed by other auditor whose unmodified fit for consolidation report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary is based solely on fit for consolidation report of the other auditor.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;
- (e) On the basis of the written representations received from the Directors of the Parent Company as on 31 March 2019 taken on record by the Board of Directors of the Parent Company and the reports of the Statutory Auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Parent Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure A" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid/provided during the year by the Parent

Company its subsidiary companies to its directors is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 38 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

B.K. Sipani
Partner
Membership No. 088926

Annexure A

Report on the Internal Financial controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Somany Ceramics Limited ('the Parent Company') and its subsidiary companies incorporated in India (the Parent Company and its subsidiaries together referred to as "the Group"), as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Parent Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company and its subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance

of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to as audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued

by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statement included obtaining an understanding of internal financial controls with reference to consolidated financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal Financial Controls with reference consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal

financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the Group has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the parent company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India, however same need to be further strengthened.

Emphasis of Matter

We would draw attention to note no. 49 (a) to the Consolidated financial statements, with respect to defalcation committed by an employee, responsible for payment processing of certain imported trading goods which indicate lapses in operating effectiveness of internal financial controls system in respect of payment processing of certain imported trading goods.

Our opinion under Clause (i) of Sub-section 3 of Section 143 of the Act is not qualified in respect of this matter.

Explanatory Statement

The weakness in operating effectiveness of internal financial control system as stated in 'Emphasis of Matter, was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 consolidated financial statements of the Group and this report does not affect our report dated May 21, 2019, which expressed an unqualified opinion on those consolidated financial statements.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our Opinion is not modified in respect of this matter.

**For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E**

Place: New Delhi
Date: May 21, 2019

**B.K. Sipani
Partner
Membership No. 088926**

Consolidated Balance Sheet as at March 31, 2019

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current Assets			
Property, Plant and Equipment	3	69,992.80	63,604.93
Capital work-in-progress		2,465.99	2,789.14
Other Intangible Assets	3	570.35	770.99
Intangible Assets under Development		-	4.20
Goodwill on Consolidation		441.18	441.32
Financial Assets			
(i) Investments	4	-	-
(ii) Loans	5	500.00	25.00
(iii) Other Financial Assets	6	1,261.56	1,073.66
Deferred Tax Assets (Net)	22	351.12	40.38
Other Non-Current Assets	7	607.71	368.89
		76,190.71	69,118.51
Current Assets			
Inventories	8	25,451.99	25,971.99
Financial Assets			
(i) Investments	9	6,825.95	11,418.47
(ii) Trade Receivables	10	41,794.20	50,371.50
(iii) Cash and Cash Equivalents	11	2,950.41	578.19
(iv) Bank Balances other than (iii) above	12	1,053.07	782.07
(v) Loans	13	5,840.00	853.60
(vi) Other Financial Assets	14	645.96	489.23
Current Tax Assets (net)	15	322.57	144.74
Other Current Assets	16	5,079.65	4,221.77
		89,963.80	94,831.56
Total Assets		1,66,154.51	1,63,950.07
Equity and Liabilities			
Equity			
Equity Share Capital	17	847.59	847.59
Other Equity	18	60,452.99	57,220.66
		61,300.58	58,068.25
Non-controlling Interest		8,671.65	9,590.59
		69,972.23	67,658.84
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	19	23,727.99	16,543.96
(ii) Other Financial Liabilities	20	2,474.11	2,229.95
Provisions	21	470.48	480.91
Deferred Tax Liabilities (Net)	22	5,666.48	5,276.37
Other Non-Current Liabilities	23	338.38	282.72
		32,677.44	24,813.91
Current Liabilities			
Financial Liabilities			
(i) Borrowings	24	27,333.38	31,179.28
(ii) Trade Payables	25		
Outstanding dues of Micro Enterprises and Small Enterprises		87.53	-
Outstanding dues other than Micro Enterprises and Small Enterprises		19,774.09	23,316.10
(iii) Other Financial Liabilities	26	7,843.50	7,419.85
Other Current Liabilities	27	8,348.97	8,886.42
Provisions	28	85.77	65.08
Current Tax Liabilities (net)	29	31.60	610.59
		63,504.84	71,477.32
Total Equity and Liabilities		1,66,154.51	1,63,950.07
Significant Accounting Policies and Other Notes to Financial Statements.	1 to 56		
The accompanying Notes are an integral part of the Financial Statements.			

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

B. K. Sipani

Partner

M. No. 088926

Place: New Delhi

Date: May 21, 2019

Shreekant Somany

Chairman & Managing Director

DIN : 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN : 00021448

Ambrish Julka

GM - Legal & Company Secretary

Consolidated Statement of Profit & Loss

for the Year Ended March 31, 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from Operations	30	1,71,505.40	1,74,718.64
Other Income	31	1,915.71	1,811.37
Total Revenue (I)		1,73,421.11	1,76,530.01
Expenses			
Cost of Materials Consumed	32	43,350.29	45,568.90
Purchases of Stock-in-Trade		32,413.19	28,941.64
Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	33	(3,579.92)	(3,821.93)
Excise duty on Sales		-	3,447.91
Employee Benefit Expense	34	22,618.64	21,745.41
Finance Costs	35	4,591.95	3,992.04
Depreciation and Amortization Expense	3	4,425.09	4,128.02
Other Expenses	36	60,365.79	60,252.02
Total Expenses (II)		1,64,185.03	1,64,254.01
Profit Before Exceptional Items and Tax (I-II)		9,236.08	12,276.00
Exceptional Items (Net)	46	1,224.48	440.41
Profit before tax		8,011.60	11,835.59
Tax Expense:			
1) Current Tax	22		
- Current year		2,231.26	3,422.01
- For earlier years		37.59	(2.06)
2) Deferred Tax Charge/(Credit)	22	415.19	505.51
Profit for the year (III)		5,327.56	7,910.13
Other Comprehensive Income (OCI)			
(1) Items that will not be reclassified to profit & loss		(31.47)	(24.34)
Income Tax relating to above		11.00	8.50
(2) Items that will be reclassified to profit & loss		-	-
Total Comprehensive Income for the year (IV)		5,307.09	7,894.29
Profit for the year attributable to:			
Owners of the Company		4,634.17	7,044.42
Non controlling interests		693.39	865.71
Other Comprehensive Income attributable to:			
Owners of the Company		(20.47)	(15.84)
Non controlling interests		-	-
Total Comprehensive Income attributable to:			
Owners of the Company		4,613.70	7,028.58
Non controlling interests		693.39	865.71
Earnings Per Equity Share (Per Share Value of ₹2 each)	37		
Basic (In ₹)		10.93	16.62
Diluted (In ₹)		10.93	16.62
Significant Accounting Policies and Other Notes to Financial Statements.	1 to 56		
The accompanying Notes are an integral part of the Financial Statements.			

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

B. K. Sipani

Partner

M. No. 088926

Place: New Delhi

Date: May 21, 2019

Shreekant Somany

Chairman & Managing Director

DIN : 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN : 00021448

Ambrish Julka

GM - Legal & Company Secretary

Consolidated Statement of Change in Equity for the Year Ended March 31, 2019

(a) Equity Share Capital & Reconciliation of number of shares outstanding at the beginning and end of the year : (₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	4,23,79,426	847.59	4,23,79,426	847.59
Balance at the beginning of the year				
Changes in equity share capital during the year		-	-	-
Balance at the end of the year	4,23,79,426	847.59	4,23,79,426	847.59

(b) Other Equity

Particulars	Owner's Other Equity					Non Controlling Interest	Total Other Equity		
	Reserves and Surplus				Other Comprehensive Income				
	Capital Redemption Reserve	Security Premium	General Reserve	Retained earnings					
Balance at March 31, 2017	0.03	16,389.03	5,114.38	30,062.61	3.36	51,569.41	8,343.63 59,913.04		
Profit for the year	-	-	-	7,044.42	-	7,044.42	865.71 7,910.13		
Acquisition of Non Controlling Interest	-	-	-	(0.15)	-	(0.15)	- (0.15)		
Shares Issued by Subsidiaries to Non Controlling interest shareholders	-	-	-	-	-	-	381.25 381.25		
Other Comprehensive Income for the year	-	-	-	-	(15.84)	(15.84)	- (15.84)		
Total Comprehensive Income for the year	-	-	-	7,044.27	(15.84)	7,028.43	1,246.96 8,275.39		
Transfer to Capital Redemption Reserve	239.19	-	-	(239.19)	-	-	-		
Dividend Paid	-	-	-	1,144.24	-	1,144.24	- 1,144.24		
Dividend Distribution Tax	-	-	-	232.94	-	232.94	- 232.94		
Balance at March 31, 2018	239.22	16,389.03	5,114.38	35,490.51	(12.48)	57,220.66	9,590.59 66,811.25		
Balance at the beginning of the year	239.22	16,389.03	5,114.38	35,490.51	(12.48)	57,220.66	9,590.59 66,811.25		
Profit for the year	-	-	-	4,634.17	-	4,634.17	693.39 5,327.56		
Acquisition of Non Controlling Interest	-	-	-	(1.93)	-	(1.93)	- (1.93)		
Derecognition on divestment in a subsidiary	-	-	-	-	-	-	(2,299.07) (2,299.07)		
Shares Issued by Subsidiaries to Non Controlling interest shareholders	-	-	-	-	-	-	686.74 686.74		
Other comprehensive income for the year	-	-	-	-	(20.47)	(20.47)	- (20.47)		
Total Comprehensive Income for the year	-	-	-	4,632.24	(20.47)	4,611.77	(918.94) 3,692.83		
Dividend Paid	-	-	-	1,144.24	-	1,144.24	- 1,144.24		
Dividend Distribution Tax	-	-	-	235.20	-	235.20	- 235.20		
Balance at March 31, 2019	239.22	16,389.03	5,114.38	38,743.31	(32.95)	60,452.99	8,671.65 69,124.64		

Capital Redemption Reserve: It represents transfer from Retained Earnings on redemption of Preference Shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Securities Premium: It represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

General reserve: It represents appropriation of profits by the board of directors. The said reserve is available for payment of dividend to shareholders as per the provisions of the Companies Act, 2013.

Retained Earnings: Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

B. K. Sipani

Partner

M. No. 088926

Place: New Delhi

Date: May 21, 2019

Shreekant Somany

Chairman & Managing Director

DIN : 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN : 00021448

Ambrish Julka

GM - Legal & Company Secretary

Consolidated Cash Flow Statement

for the Year Ended March 31, 2019

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash Flow From Operating Activities		
Net Profit before Tax as per Statement of Profit & Loss	8,011.60	11,835.59
I. Adjusted for:		
Depreciation and Amortization Expense	4,425.09	4,128.02
Finance Costs	4,591.95	3,992.04
Interest Income	(1,347.71)	(1,281.70)
Gain on divestment in a subsidiary	(48.82)	-
(Profit)/Loss on Sales of Investment (Net)	(245.62)	(213.57)
Unrealized Foreign Exchange (Gain)/Loss (Net)	4.44	33.39
Net movement on Fair Value of current Investments	(66.93)	61.27
Provision for credit losses	284.90	119.65
Bad Debts	104.33	-
Sundry Balances Written Off	18.31	17.94
Sundry Balances Written Back	(251.50)	(52.09)
(Profit)/Loss on sale of Property, Plant and Equipments (net)	54.13	536.96
Property, Plant and Equipments Discard /Written Off	25.29	-
Operating Profit Before Working Capital Changes	15,559.46	19,177.49
II. Adjusted For:		
Trade and Other Receivables	1,970.25	(8,125.66)
Inventories	(2,456.60)	(3,896.37)
Trade and Other Payables	613.12	7,205.35
Cash Generated from Operation	11,745.72	14,360.81
Income Taxes Refund /(Paid)	(3,154.18)	(3,272.79)
Net Cash Flow From Operating Activities (A)	8,591.54	11,088.02
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipments and Intangible Assets	(16,043.37)	(13,541.89)
Sale of Property, Plant and Equipments	452.99	553.15
Acquisition of Non Controlling Interest in Subsidiaries	(2.21)	(0.15)
Consideration received from divestment in a Subsidiary	857.03	-
Purchase of Current Investments	(62,820.87)	(57,899.72)
Sale of Current Investments	72,545.94	58,489.29
Interest Received	1,222.66	1,358.26
Inter Corporate Deposits given	(4,820.00)	-
Net Cash Outflow From Investing Activities (B)	(8,607.84)	(11,041.06)

Consolidated Cash Flow Statement for the Year Ended March 31, 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
C. Cash Flow from Financing Activities		
Proceeds from Non Current Borrowings	13,328.95	5,050.64
Repayment of Non Current Borrowings	(4,555.27)	(5,816.02)
Current Borrowings (net)	(3,279.26)	4,252.28
Proceeds from Short Term Loans	16,550.00	25,629.81
Repayment of Short Term Loans	(14,838.80)	(24,900.00)
Proceeds from issue of equity shares by subsidiaries to Non Controlling Interest shareholders	686.74	381.25
Redemption of Preference Shares	-	(229.81)
Interest Paid	(4,104.80)	(3,955.29)
Dividend Paid (including dividend distribution tax)	(1,379.44)	(1,369.91)
Net Cash Inflow From Financing Activities (C)	2,408.13	(957.05)
Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)	2,391.83	(910.09)
CASH AND CASH EQUIVALENTS		
Opening		
Cash and Cash Equivalents	578.19	1,488.28
Less Cash and Cash Equivalents on divestment in a subsidiary	(19.61)	-
	558.58	1,488.28
Closing		
Cash and Cash Equivalents	2,950.41	578.19

- a) Cash and Cash Equivalents represents cash and bank balances.(Note No. 11)
- b) Figures for the previous year have been regrouped/rearranged wherever considered necessary.
- c) Additional Disclosure required under Ind AS 7. Refer Note No. 52.
- d) The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

For and on behalf of Board of Directors

B. K. Sipani

Partner

M. No. 088926

Place: New Delhi

Date: May 21, 2019

Shreekant Somany

Chairman & Managing Director

DIN : 00021423

Abhishek Somany

Managing Director

DIN : 00021448

Ambrish Julka

GM - Legal & Company Secretary

Notes to Consolidated Financial Statements

for the Year Ended March 31, 2019

1 Reporting Entity

The Consolidated Financial Statements comprise financial statements of Somany Ceramics Limited ("the Company" or "Parent") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2019. The Company is a public company domiciled in India and having registered office at 2, Red Cross Place, Kolkata – 700001 India. Equity shares of the Company are listed in India on the Bombay Stock Exchange and the National Stock Exchange.

The Group has manufacturing plants in Kassar (Haryana), Velampadu (Andhra pradesh), Chandigarh, Kadi and Morbi (Gujarat) India. The Group is a manufacturer and trader of a complete decor solutions and its extensive range of products include Ceramic Wall and Floor Tiles, Polished Vitrified Tiles, Glazed Vitrified Tiles, Sanitaryware, Bath Fittings and allied products.

The Consolidated Financial Statements of the Company for the year ended March 31, 2019 were authorized for issue in accordance with a resolution of the directors on May 21, 2019.

2 Significant Accounting Policies

The Group has consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

2.1 Basis of preparation

The Consolidated Financial Statements of the Group comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

2.2 Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when only if the Group:

- has power over the investee;
- is exposed or has rights to variable return from its involvement with the investee, and
- has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights
- The size of the Parent Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, expenses and other comprehensive income of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31.

List of entities considered in Consolidated Financial Statements are as disclosed in Note no. 54.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses, other comprehensive income and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra group transactions or undistributed earnings of Group's entity included in consolidated Profit & Loss, if any.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Consolidated Statement of Profit & Loss in the period in which they are incurred.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

2.3 Basis of measurement

The Consolidated Financial Statements have been prepared under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

2.4 Functional and presentation currency

These Consolidated Financial Statements are presented in Indian National Rupee ('INR'), which is the Group's functional currency. All amounts have been rounded to the nearest Lakhs, unless otherwise indicated.

2.5 Use of judgements and estimates

In preparing these Consolidated Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the Consolidated Financial Statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Consolidated Financial Statements have been given below:

- Classification of leases into finance and operating lease
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Consolidated Financial Statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

2.6 Classification of Assets and Liabilities as Current and Non-Current

The Group presents assets and liabilities in the Consolidate balance sheet based on current/ non-current classification. An asset/liability is treated as current when it is:

- Expected to be realised/settled or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash and Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.7 Property, Plant and Equipment (Fixed Assets)

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment.

Foreign exchange loss/gain arising on long-term foreign currency monetary items existing as on April 1, 2016 used for depreciable assets, which are capitalised as per transitional provision of Ind AS 101 "First time adoption".

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

Particulars	Useful Life
Plant and Machinery	5 - 25 Years
Vehicles	5 - 8 Years
Dies & Punches	8 Years

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure. Leasehold improvements are being amortised over the period of 5 to 10 years.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively. Individual assets costing below ₹5,000 are fully depreciated in the year of purchase.

Capital work-in-progress

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit & Loss.

2.8 Intangible assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software and designing rights is considered as 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Consolidated Statement of Profit & Loss when the asset is derecognised.

2.9 Non-current assets held for sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Notes to Consolidated Financial Statements

for the Year Ended March 31, 2019

2.10 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.11 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the Consolidated Statement of Profit & Loss in the period in which they are incurred.

2.12 Foreign currency transactions

Transactions in foreign currencies are recorded by the Group at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit & Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- In respect of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind as financial reporting period, the Group has elected to recognise exchange differences on translation of such long term foreign currency monetary items in line with its Previous GAAP accounting policy.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.13 Employee benefits

Short term employee benefits

Short term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund and Employees' pension Scheme are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

Defined benefit plans

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the Consolidated Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Consolidated Statement of Profit & Loss. Past service cost is recognised in the Consolidated Statement of Profit & Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in the Consolidated Statement of Profit & Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Group has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Consolidated Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.14 Revenue Recognition

The Group recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when;

- i) effective control of goods alongwith significant risks and rewards of ownership has been transferred to customer and in case of services, the year in which such services are rendered.
- ii) the amount of revenue can be measured reliably;
- iii) it is probable that the economic benefits associated with the transaction will flow to the Group; and
- iv) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Revenue represents net value of goods and services provided to customers after deducting certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

For incentives offered to customers, the Company makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

2.15 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials and stores & spare parts is computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate, provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the Consolidated Financial Statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the Consolidated Financial Statements but disclosed, where an inflow of economic benefit is probable.

2.17 Measurement of fair value

a) Financial instruments

The estimated fair value of the Group's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

2.18 Financial instruments

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial Assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Consolidated Statement of Profit & Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit & Loss.

Financial Assets at fair value through Other Comprehensive Income (FVOCI)

Financial Assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

Financial Assets at fair value through Profit & Loss (FVTPL)

Any Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified at FVTPL.

In addition, the Group may elect to classify a financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit & Loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value as FVOCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Consolidated Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in Consolidated Statement of Profit & Loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Group applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of Profit & Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit & Loss.

Financial liabilities at fair value through Profit & Loss

Financial liabilities at FVTPL includes financial liabilities designated upon initial recognition as at fair value through Profit & Loss.

Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit & Loss.

Financial liabilities designated upon initial recognition at fair value through Profit & Loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to Consolidated Statement of Profit & Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit & Loss.

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognised in Consolidated Statement of Profit & Loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Group:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Consolidated Balance Sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Consolidated Balance Sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Consolidated Statement of Profit & Loss and included in deferred tax assets. The Group reviews the same at each Consolidated Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

2.20 Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the percentage value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Statement of Profit & Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Consolidated Statement of Profit & Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company.

2.22 Standard issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Consolidated Financial Statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standards:

Amendment to Ind AS 116

Ind AS 116 – 'Leases' is applicable for the accounting period beginning from April 1, 2019. Ind AS 116 will replace the existing Ind AS 17 Leases and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets (Right to use) and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard provide for two broad alternative transition approach- Retrospective Method and Cumulative Effect Method with practical expedient. The Company is in the process of evaluating the impact of transitioning from erstwhile standard i.e. Ind AS 17 to new standard i.e. Ind AS 116 and the transition approach.

Amendment to Other Ind AS

Amendment to Ind AS 19 – Employees Benefits: Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019, in connection with accounting for plan amendments, curtailments and settlements. The Company does not have any impact on account of this amendment.

Amendment to Ind AS 12 – Income taxes: Ministry of Corporate Affairs;

(a) issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes accordingly an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. There is no impact of this amendment on the financial statements.

(b) has notified Ind AS 12 Appendix 'C' Uncertainty over Income Tax Treatments on March 30, 2019. According to the appendix, the company need to determine the probability of the relevant tax authority accepting each tax treatment, or the Company of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company has decided to adjust the cumulative effect in equity on the date of initial application without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements."

Ind AS 23 – Borrowing Costs: The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, than that borrowing becomes part of the general borrowings for calculating the future capitalisation rate. The Company does not expect any significant impact from this amendment.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

3.(i) Property, plant and equipment (2018-19)

(₹ in Lakhs)

Particulars	Gross Block					Depreciation				Net Block	
	March 31, 2018	Addition on acquisition of subsidiary#	Additions	Deletions / Adjustments	March 31, 2019	March 31, 2018	For the Year	Deletions / Adjustments	March 31, 2019	March 31, 2018	March 31, 2019
Tangible Assets											
Freehold land*	2,105.93	48.68	44.26	26.37	2,172.50	-	-	-	-	2,105.93	2,172.50
Buildings	11,311.87	-	2,778.71	690.01	13,400.57	939.60	561.01	51.60	1,449.01	10,372.27	11,951.56
Plant and equipments	49,399.18	-	10,584.62	4,791.09	55,192.71	3,592.99	2,394.26	507.03	5,480.22	45,806.19	49,712.49
Office equipments	1,236.25	-	204.97	27.05	1,414.17	317.83	275.29	13.96	579.16	918.42	835.01
Furniture and fixtures	2,945.00	-	1,281.78	115.30	4,111.48	441.79	517.90	8.28	951.41	2,503.21	3,160.07
Vehicles	2,432.38	-	700.03	408.88	2,723.53	627.99	469.67	195.36	902.30	1,804.39	1,821.23
Assets under Finance Lease											
Leasehold land	96.90	-	247.07	-	343.97	2.38	1.65	-	4.03	94.52	339.94
Total	69,527.51	48.68	15,841.44	6,058.70	79,358.93	5,922.58	4,219.78	776.23	9,366.13	63,604.93	69,992.80

3.(ii) Other Intangible Assets (2018-19)

(₹ in Lakhs)

Particulars	Gross Block					Amortization				Net Block	
	March 31, 2018	Addition on acquisition of subsidiary#	Additions	Deletions / Adjustments	March 31, 2019	March 31, 2018	For the Year	Deletions / Adjustments	March 31, 2019	March 31, 2018	March 31, 2019
Intangible Assets											
Computer Softwares	1,029.32	-	4.67	-	1,033.99	258.33	205.31	-	463.64	770.99	570.35
Total	1,029.32	-	4.67	-	1,033.99	258.33	205.31	-	463.64	770.99	570.35

3.(i) Property, plant and equipment (2017-18)

(₹ in Lakhs)

Particulars	Gross Block					Depreciation				Net Block	
	March 31, 2017	Acquisition of subsidiary	Additions	Deletions / Adjustments	March 31, 2018	March 31, 2017	For the Year	Deletions / Adjustments	March 31, 2018	March 31, 2017	March 31, 2018
Tangible Assets											
Freehold land	1,845.49	-	260.44	-	2,105.93	-	-	-	-	1,845.49	2,105.93
Building	9,164.64	-	2,147.23	-	11,311.87	392.33	547.27	-	939.60	8,772.31	10,372.27
Plant and equipment	40,868.99	-	10,753.96	2,223.77	49,399.18	2,315.36	2,437.34	1,159.71	3,592.99	38,553.63	45,806.19
Office equipments	695.55	-	549.89	9.19	1,236.25	121.16	204.36	7.69	317.83	574.39	918.42
Furniture and fixtures	1,064.09	-	1,891.23	10.32	2,945.00	119.60	324.13	1.94	441.79	944.49	2,503.21
Vehicles	1,690.75	-	795.84	54.21	2,432.38	262.15	403.88	38.04	627.99	1,428.60	1,804.39
Assets under Finance Lease											
Leasehold land	96.90	-	-	-	96.90	1.19	1.19	-	2.38	95.71	94.52
Total	55,426.41	-	16,398.59	2,297.49	69,527.51	3,211.79	3,918.17	1,207.38	5,922.58	52,214.62	63,604.93

3.(ii) Other Intangible Assets (2017-18)

(₹ in Lakhs)

Particulars	Gross Block					Amortization				Net Block	
	March 31, 2017	Acquisition of subsidiary	Additions	Deletions / Adjustments	March 31, 2018	March 31, 2017	For the Year	Deletions / Adjustments	March 31, 2018	March 31, 2017	March 31, 2018
Intangible Assets											
Computer Softwares	130.11	-	899.21	-	1,029.32	48.48	209.85	-	258.33	81.63	770.99
Total	130.11	-	899.21	-	1,029.32	48.48	209.85	-	258.33	81.63	770.99

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

Note:

1. Addition to Plant & Machinery includes foreign exchange gain amounting to ₹52.46 Lakhs capitalised (Previous year ₹181.75 Lakhs decapitalised).
2. Assets pledged and Hypothecated against borrowings: Please Refer Note No. 19 & 24.

*Freehold land valuing ₹489.02 Lakhs (previous year ₹452.85 Lakhs) of subsidiary where agreements for sale of land dated May 16, 2017 and January 12, 2018 have been executed by Andhra Pardesh Industrial Infrastructure Corporation Limited in the favour of subsidiary company and is in process of registration of sale/ title deed as same was to be issued after the commencement of Commercial Production. The subsidiary company has commenced commercial production w.e.f. March 27, 2019.

During the year Parent company has acquired 51% equity stake in a subsidiary w.e.f. May 1, 2018.

4. Non-current Investments

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Investment in Equity Instruments (unquoted, fully paid up)		
A) Associate (Joint Venture upto June 01, 2017)		
a) Nil (Previous Year - 8,93,000) of ₹10/- each of Somany Keraben Pvt Ltd.	-	89.30
Less Provision for impairment	-	89.30
	-	-
a. Aggregate amount of investments are given below:		
Aggregate cost of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate cost of Unquoted investments	-	89.30
Aggregated amount of impairment in Value of Investment	-	89.30

b. The above investment is not listed on any stock exchange in India or outside India.

5. Loans

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits	500.00	-
Deposits	-	25.00
	500.00	25.00

6. Other Financial Assets

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered Good Unless Stated Otherwise)		
Bank Deposits (Pledged with Government Departments)	158.75	154.20
Fixed Deposits held as Margin Money with Banks/ Financial institutions	439.96	351.69
Security Deposits	662.85	567.77
	1,261.56	1,073.66

7. Other Non-Current Assets

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Capital Advance*	577.91	365.77
Prepaid Expenses	29.80	3.12
	607.71	368.89

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

7. Other Non-Current Assets (contd.)

*₹310.00 Lakhs (Previous year ₹100.00 Lakhs) of Subsidiary company represents payment made to parties for purchase of parcel of land in Rajasthan, where Subsidiary company is in the process of finalising the terms and conditions. The Subsidiary company is confident of completing the process of acquisition in near future, hence considered good.

8. Inventories

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
(Valued at Lower of Cost and Net Realisable Value)			
(As taken, Valued and Certified by the Management)			
Raw Materials & Packing Materials		3,952.94	5,414.22
Work -in-Progress		1,666.15	1,485.37
Finished Goods		13,414.65	12,589.71
Stock in Trade [including in transit stock of ₹Nil (Previous year ₹11.95 Lakhs)]		3,676.37	3,008.83
Stores and Spares		2,741.88	3,473.86
		25,451.99	25,971.99

- a. Inventories are hypothecated to secured borrowings. Refer to Note No. 19 & 24.
- b. Write downs of inventories amounted to ₹217.46 Lakhs (previous year ₹151.80 Lakhs).

9. Current Investments

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
A Investments in Bonds and Non Convertible Debentures (Unquoted) (valued at fair value through profit & loss)			
a) Nil (Previous Year - 37,700 Units) 10.25% SREI Equipment Finance Ltd. - 2022 (NCD)		-	371.01
b) Nil (Previous Year - 9 Units) 11.50% SREI Infrastructure Finance Ltd. (Bonds)		-	90.00
c) Nil (Previous Year - 60 Units) 0.00% ICICI Bank 2018 (Bonds)		-	15.00
d) Nil (Previous Year - 7 Units) 0.00% ICICI Bank 2019 (Bonds)		-	1.75
e) Nil (Previous Year - 20 Units) 0.00% ICICI Bank 2020 (Bonds)		-	5.96
f) Nil (Previous Year - 139 Units) 0.00% ICICI Bank 2022 (Bonds)		-	38.01
g) Nil (Previous Year - 53 Units) 0.00% ICICI Bank 2023 (Bonds)		-	13.04
h) 500 Units (Previous Year - 800 Units) 9.70% U P Power Corporation Ltd 04.07.2031 Bonds (NCD)	524.20	807.20	
i) 111 Units (Previous Year - 116 Units) 10.20% SREI Infrastructure Finance Ltd. 23.03.2020 (NCD)	1,110.00	1,167.31	
j) Nil (Previous Year - 43 Units) 9.37% IL&FS Transportation Networks Ltd 29.10.2027 (Bonds)		-	427.42
k) Nil (Previous Year - 24 Units) 9.25% IL&FS Transportation Networks Ltd 15.12.2022 (Bonds)		-	238.44
l) Nil (Previous Year - 65 Units) 9.00% IL&FS Transportation Networks Ltd 30.11.2027 (Bonds)		-	651.30
m) Nil (Previous Year - 41 Units) 9.37% IL&FS Transportation Networks Ltd 30.11.2027 (Bonds)		-	407.54
n) Nil (Previous Year - 10 Units) 9.83% HVPNL Ltd. 21.01.2026 (Bonds)		-	99.46
o) Nil (Previous Year - 379 Units) 9.80% Jaipur Vidyut Vitaran Nigam Ltd. 30.03.2031 (NCD)		-	375.48
p) 83 Units (Previous Year - 63 Units) 9.00% SREI Infrastructure Finance Ltd. (NCD)	825.85	629.37	
q) Nil (Previous Year - 60 Units) 11.00% Bank of India Perpetual (Bonds)		-	598.80
r) Nil (Previous Year - 100 Units) 9.60% ECL Finance Ltd. 19.12.2025 (Bonds)		-	101.00
s) Nil (Previous Year - 100 Units) 9.50% ECL Finance Ltd. 28.04.2026 (Bonds)		-	100.72
t) Nil (Previous Year - 310 Units) 9.25% Edelweiss Finvest Pvt. Ltd. 04.01.2028 (Bonds)		-	309.85
u) 108 Units (Previous Year - 250 Units) 9.00 % Shriram Transport Finance Co. Ltd. 28.03.2028 (NCD)	1,079.78	2,500.00	
v) Nil (Previous Year - 5 Units) 11.90% Dhanlaxmi Bank 03.05.2018 (NCD)		-	50.00
w) Nil (Previous Year - 24 Units) 0.00% IDFC 17.01.2026 (NCD)		-	163.20

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

9. Current Investments

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
x) Nil (Previous Year - 274 Units) 10.75% IFCI 01.08.2016 (NCD)		-	71.98
y) Nil (Previous Year - 8 Units) 9.10% IL&FS Transportation Networks Ltd 03.02.2023 (Bonds)		-	80.40
z) 105,500 Units (Previous Year - Nil) 9.60% SREI Infrastructure Finance Ltd 25.05.2028 (NCD)		1,053.94	
aa) 20 Units (Previous Year - Nil) 7.37% NTPC 2031		183.60	
ab) 201 Units (Previous Year - Nil) 7.20% Power Grid Corporation Ltd 2027#		1,861.26	
ac) 10 Units (Previous Year - Nil) 7.65% Konkan Railway Corporation Ltd		96.10	
B) Investments in Mutual Fund (Quoted) (valued at fair value through profit & loss)			
a) Nil (Previous Year - 38,551) Edelweiss Low Duration Fund-Super Institutional Growth Plan		-	800.41
b) Nil (Previous Year - 50,140.745) Reliance Money Manager Growth Fund		-	1,200.66
c) 2,87,251.767 Units (Previous year-2,87,251.767 Units) SBI Corporate Bond fund Regular Plan		85.80	80.24
d) 133.731 Units (Previous year - 656.831 Units) HDFC Liquid Fund- Growth		4.89	22.40
C) Investments in Equity Instruments (Quoted) valued at fair value through Profit & Loss (fully Paid)			
550 Equity Shares (Previous Year - 550) of ₹2/- each of Punjab National Bank Ltd.		0.53	0.52
		6,825.95	11,418.47

Pending transfer in the name of Parent Company.

Aggregate Book Value of Quoted Investment	91.22	2,104.23
Aggregate Market Value of Quoted Investment	91.22	2,104.23
Aggregate Book Value of Un-Quoted Investment	6,734.73	9,314.24
Aggregate amount of impairment in value of investments	-	-

10. Trade Receivables

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
Unsecured			
Considered Good		40,632.10	49,612.33
Have Significant increase in Credit Risk		1,718.50	1,078.70
Considered Doubtful - Credit Impaired		15.66	-
		42,366.26	50,691.03
Less: Allowances for credit losses		572.06	319.53
		41,794.20	50,371.50

- a. Including ₹1147.64 Lakhs (Previous year - ₹1175.33 Lakhs) receivable from related parties.
- b. Trade Receivables are hypothecated to secured borrowings. Refer to Note 24 and 19.

11. Cash & Cash Equivalents

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
Balance with Banks			
- Current Accounts		2,874.88	464.22
Cash on Hand		75.53	113.97
		2,950.41	578.19

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

12. Other Bank Balances

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Earmarked Balances with Banks		
Bank Deposit (Pledge with Government Department)	220.11	362.78
Less: Shown Under "Other Financial Assets" (More than 12 months)	175.81	154.20
Unclaimed Dividend Accounts	555.53	36.66
Other Bank Balance		
Fixed Deposits held as Margin Money with Banks/ Financial institutions	722.46	473.86
Less: Shown Under "Other Financial Assets" (More than 12 months)	439.96	351.69
Fixed Deposits with Banks	170.74	414.66
	1,053.07	782.07

13. Loans

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits	5,840.00	600.00
Deposits	-	253.60
	5,840.00	853.60

14. Other Financial Assets

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Accrued Interest	543.31	409.84
Deposit with others	102.05	78.79
Security Deposits with Government Department	0.60	0.60
	645.96	489.23

15. Current Tax Assets (net)

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance Income Tax / Tax Deducted at Source [Net of Income Tax Provision of ₹15819.48 Lakhs, (Previous year ₹168.26 Lakhs)]	322.57	144.74
	322.57	144.74

16. Other Current Assets

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Prepaid Expenses	294.02	162.40
Export Incentives Receivable	423.70	327.17
Other Advances	1,337.00	1,569.17
Indirect Tax Recoverable/adjustable	3,024.93	2,163.03
	5,079.65	4,221.77

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

17. Equity Share Capital

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
Authorised			
Equity Shares 12,50,00,000 (Previous Year- 12,50,00,000) of ₹2 /-each		2,500.00	2,500.00
Issued, Subscribed and Paid up			
Equity Shares 4,23,79,426 (Previous Year- 4,23,79,426) of ₹2/- each fully paid up		847.59	847.59
		847.59	847.59

a. Terms and rights attached to equity shares

The Company has only one class of Equity Shares having face value of ₹2/- each and each shareholder is entitled to one vote per share. Each shareholder have the right in profit / surplus in proportion to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, in proportionate to their individual shareholding in the paid up equity capital of the company.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares	Amount
Outstanding as on April 1, 2017	4,23,79,426	847.59
Equity Shares issued/ bought back during the year	-	-
Outstanding as on March 31, 2018	4,23,79,426	847.59
Equity Shares issued/ bought back during the year	-	-
Outstanding as on March 31, 2019	4,23,79,426	847.59

c. List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)

	As at March 31, 2019	As at March 31, 2018
i) Bhilwara Holding Limited	92,02,200	92,02,200
ii) Sarvottam Vanijay Limited	63,32,500	63,32,500
iii) Scope Vinimoy Private Limited	35,52,500	35,52,500
iv) Franklin Templeton Mutual Fund	37,50,000	-
v) L And T Mutual Fund Trustee Limited	23,28,590	-
vi) DSP Blackrock	-	23,85,414
	2,51,65,790	2,14,72,614

18. Other Equity

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
Capital Redemption Reserve			
Balance at the beginning of the year		239.22	0.03
Addition/ (Transfer) during the year		-	239.19
Closing balance		239.22	239.22
Security Premium			
Balance at the beginning of the year		16,389.03	16,389.03
Addition/ (Transfer) during the year		-	-
Closing balance		16,389.03	16,389.03
General Reserve			
Balance at the beginning of the year		5,114.38	5,114.38
Addition/ (Transfer) during the year		-	-
Closing balance		5,114.38	5,114.38

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

18. Other Equity

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Retained earnings		
Balance at the beginning of the year	35,490.51	30,062.61
Profit for the year	4,634.17	7,044.42
Acquisition of Non Controlling Interest	(1.93)	(0.15)
Amount available for appropriation	40,122.75	37,106.88
Less : Appropriation:		
Transfer to Capital Redemption Reserve	-	239.19
Dividend Distributed	1,144.24	1,144.24
Dividend Distribution Tax	235.20	232.94
Closing Balance	38,743.31	35,490.51
Other Comprehensive Income		
Balance at the beginning of the year	(12.48)	3.36
Other comprehensive income for the year	(20.47)	(15.84)
Closing Balance	(32.95)	(12.48)
Total Other Equity	60,452.99	57,220.66

19. Borrowings

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Secured		
Term Loans		
- From Banks	23,993.75	16,170.28
Car Loans		
- From Banks	1,169.08	1,195.02
- From Others	-	0.77
Other borrowings (Buyer's Credit etc.)	2,721.79	3,306.32
Unsecured		
- From Others	2,094.72	2,112.37
	29,979.34	22,784.76
Less: Current Maturities of Non Current Borrowings		
Term loans		
- From Banks	5,845.99	5,851.33
Car Loans		
From Banks	405.36	388.70
From others	-	0.77
	6,251.35	6,240.80
	23,727.99	16,543.96

Notes

- a Rupee loan of ₹337.50 Lakhs (Previous Year ₹1,012.50 Lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future. The aforesaid loan is repayable in two equal quarterly installments from June, 2019.
- b Rupee loan of ₹450.00 Lakhs (Previous Year ₹900.00 Lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future. The aforesaid loan is repayable in four equal quarterly installments from June, 2019.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

19. Borrowings (contd.)

- c Rupee loan of ₹3,635.25 Lakhs (Previous Year ₹2,505.00 Lakhs) from a Bank and Buyers'/Suppliers' credit of ₹Nil (Previous Year ₹2,215.56 Lakhs) Equivalent to aggregate of USD Nil Lakhs and Euro Nil (Previous Year Equivalent to aggregate of USD 27.25 Lakhs and Euro 5.33 Lakhs) are secured by first pari passu charges by way of hypothecation of Plant & Machinery and other movable fixed assets of the company situated at Kassar and Kadi plants excluding those exclusively charged to other Banks and second pari passu charge over current assets of the company both present and future. Repayment of aforesaid loan is ₹1,450.00 Lakhs, ₹1,700.00 Lakhs, and ₹485.25 Lakhs, FY20, FY21 and FY22 respectively.
- d Rupee loan of ₹7,220.27 Lakhs (Previous Year ₹3,000.00 Lakhs) from a Bank and Buyers of ₹Nil (Previous Year ₹726.51 Lakhs) Equivalent to aggregate of USD Nil (Previous Year Equivalent to aggregate of USD 11.10 Lakhs) are secured by first pari passu charge by way of hypothecation of all movable fixed assets, both present and future, of the Company at Kassar & Kadi excluding assets those exclusively charged to other Banks. Repayment of aforesaid loan is ₹995.90 Lakhs, ₹1,120.39 Lakhs, ₹1,891.80 Lakhs, ₹2,091.80 Lakhs and ₹1,120.38 Lakhs in FY20, FY21, FY22, FY23 and FY24 respectively.
- e Rupee Loan of ₹575.00 Lakhs as on 31.03.2019 (Previous year ₹1,230.00 Lakhs) of subsidiary company from a Bank is secured by way of hypothecation of entire plant and machinery & other fixed assets of the company (present and future) and equitable mortgage over factory land & building of the company. The said loan is further collaterally secured by extension of hypothecation of entire current assets of the company (both current and future), equitable mortgage over factory land & building of the company, properties owned by the promoters and their families and also personal guarantees of promoters. Repayable during FY 2019-20 of ₹575.00 Lakhs.
- f Rupee Loan of ₹1,337.50 Lakhs (Previous Year ₹340.44 Lakhs) of subsidiary company from a Bank is secured by way of hypothecation of entire plant and machinery & other fixed assets of the company (present and future) and equitable mortgage over factory land & building of the company. The said loan is further collaterally secured by extension of hypothecation of entire current assets of the company (both current and future), equitable mortgage over factory land & building of the company, properties owned by the promoters and their families and also personal guarantees of promoters. Repayment of aforesaid loan is ₹204.00 Lakhs, ₹216.00 Lakhs, ₹216.00 Lakhs, ₹228.00 Lakhs, ₹228.00 Lakhs, ₹220.00 Lakhs and Balance amount in FY20, FY21, FY22, FY23, FY24, FY25 and FY26 respectively.
- g Buyers' Credit of ₹Nil (Previous Year ₹364.44 Lakhs) {Equivalent to Nil (Previous Year USD \$ 560,000)} of subsidiary company is secured by first pari passu charges by first pari passu charge by way of hypothecation of entire plant and machinery and all other fixed assets of the company both present and future. The same got converted into term loan during the year.
- h Rupee Loan of ₹528.49 Lakhs (Previous year ₹704.48 Lakhs) of subsidiary company from a Bank is secured by way of hypothecation of entire plant and machinery & other fixed assets of the company (present and future) and equitable mortgage over factory land & building of the company. The said loan is further collaterally secured by extension of hypothecation of entire current assets of the company (both current and future), equitable mortgage over factory land & building of the company, properties owned by the promoters and their families and also personal guarantees of promoters. The said loan is repayable in ₹360.00 Lakhs FY20 and Balance amount FY21.
- i Rupee loan of ₹Nil (Previous year ₹831.19 Lakhs) of subsidiary company is primary secured by way of equitable mortgage of factory buildings and hypothecation of all moveable assets of the company both present and future. The said credit facility is further secured by equitable mortgage of properties owned by the promoters of the company and personal guarantee of the promoters. The loan is repayable in the stipulated monthly of installments.
- j Rupee loan of ₹1,439.71 Lakhs (Previous year ₹1,581.52 Lakhs) of subsidiary company from banks is secured by first pari passu charge on all fixed assets (both present and future) including equitable mortgage of land and building and entire current assets (both present and future) and personal guarantee of promoters. Repayment of aforesaid loan is ₹471.46 Lakhs, ₹603.11 Lakhs, ₹237.06 Lakhs, ₹56.22 Lakhs and ₹71.86 Lakhs in FY20, FY21, FY22, FY23, and FY 24 respectively.
- k Rupee Loan of ₹1,354.17 Lakhs (Previous year ₹1,770.83 Lakhs) of subsidiary company from a Bank is secured by exclusive charge on movable and immovable fixed assets and current assets of the company both present and future and also personal guarantee of promoters. The said loan is repayable in 13 equal quarterly installments.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

19. Borrowings (contd.)

- l Rupee loan of ₹540.35 Lakhs (Previous year Nil) of subsidiary company from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future. Repayment of aforesaid loan is 113.42 Lakhs, ₹129.96 Lakhs, 130.30 Lakhs, ₹75.80 Lakhs and 90.87 Lakhs in FY20, FY21, FY 22, FY23 and FY24 respectively.
- m Rupee loan of ₹1,590.00 Lakhs (Previous year 1,650.00 Lakhs) of subsidiary company is secured by hypothecation of all existing and proposed plant & machineries and other assets, equitable mortgage of factory land and building, personal guarantee from certain directors & their relatives. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad. Repayment of aforesaid loan is ₹80.00 Lakhs, ₹110.00 Lakhs, ₹200.00 Lakhs, ₹300.00 Lakhs, ₹300.00 Lakhs and ₹300.00 Lakhs in FY20, FY21, FY22, FY23, FY24, FY25 and FY26 respectively .
- n Rupee loan of ₹202.50 Lakhs (Previous year 225.00 Lakhs) of subsidiary company is secured by hypothecation of all existing and proposed plant & machineries and other assets, equitable mortgage of factory land and building, personal guarantee from certain directors & their relatives. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad. Repayment of aforesaid loan is ₹30.00 Lakhs, ₹30.00 Lakhs, ₹30.00 Lakhs, ₹30.00 Lakhs, ₹30.00 Lakhs and ₹22.50 Lakhs in FY20, FY21, FY22, FY23, FY24, FY25 and FY26 respectively.
- o Rupee loan of ₹333.00 Lakhs (Previous year 419.33Lakhs) of subsidiary company is secured by hypothecation of all existing and proposed plant & machineries and other assets, equitable mortgage of factory land and building, personal guarantee from certain directors & their relatives. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad. Repayment of aforesaid loan is ₹100.00 Lakhs, ₹100.00 Lakhs, ₹100.00 Lakhs and ₹33.00 Lakhs in FY20, FY21, FY22 and FY23 respectively.
- p Rupee term loan of ₹2,450.00 Lakhs (Previous year ₹Nil) of subsidiary company from a Bank is secured through exclusive charge over the entire movable and immovable fixed assets of the company both present and future and exclusive charge over entire current assets of the company both present and future. Repayment of aforesaid loan is ₹183.75 Lakhs, ₹306.25 Lakhs, ₹367.50 Lakhs, ₹367.50 Lakhs, ₹367.50 Lakhs, ₹428.75 Lakhs and ₹428.75 Lakhs in FY21, FY22, FY23, FY24, FY25, FY26 and FY27 respectively.
- q Rupee term loan of ₹1,000.00 Lakhs (Previous year ₹Nil) of subsidiary company from a Bank is secured through exclusive charge over the entire movable and immovable fixed assets of the company both present and future and exclusive charge over entire current assets of the company both present and future. The aforesaid loan is repayable in 8 equal quarterly installments starting from Dec, 2019 i.e. is ₹250.00 Lakhs, ₹500.00 Lakhs and ₹250.00 Lakhs in FY20, FY21 and FY22 respectively.
- r Rupee term loan of ₹1000.00 Lakhs (Previous year ₹Nil) of subsidiary company from a Bank is secured through exclusive charge over the entire movable and immovable fixed assets of the company both present and future and exclusive charge over entire current assets of the company both present and future. Repayment of aforesaid loan is ₹75.00 Lakhs, ₹125.00 Lakhs, ₹150.00 Lakhs, ₹150.00 Lakhs, ₹150.00 Lakhs, ₹175.00 Lakhs and ₹175.00 Lakhs in in FY21, FY22, FY23, FY24, FY25, FY26 and FY27 respectively.
- s Other borrowings of ₹2,721.80 Lakhs (Previous year ₹Nil) of subsidiary company Equivalent to aggregate of USD 39.22 Lakhs (Nil USD PRevious year) is secured through exclusive charge over the entire movable and immovable fixed assets of the company both present and future and exclusive charge over entire current assets of the company both present and future. Repayment of aforesaid loan is ₹227.58 Lakhs, ₹498.84 Lakhs, ₹498.84 Lakhs, ₹498.84 Lakhs, ₹498.84 Lakhs and ₹498.85 Lakhs in FY22, FY23, FY24, FY25, FY26 and FY27 respectively.
- t Unsecured loans from others in subsidiary companies will be repaid once the existing loans from banks are fully repaid or as may be mutually agreed between that companies and their banks
- u Car loan from Banks and others are secured by hypothecation of cars purchased there under and are repayable in monthly installments over the period of loan.
- v Rate of interest applicable to all term loans is linked with MCLR.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

20. Other Financial Liabilities

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
Trade Deposits		2,107.69	1,871.35
Security Deposits		163.92	183.92
Others		202.50	202.50
		2,474.11	2,257.77
Less:-Current Maturities		-	27.82
		2,474.11	2,229.95

21. Provisions (Non Current)

	(₹ in Lakhs)	As at March 31, 2019	As at March 31, 2018
Employees Benefits		470.48	480.91
		470.48	480.91

22. Deferred Tax

A. Deferred tax Assets

	As at March 31, 2019	As at March 31, 2018
Deferred tax Assets	828.84	139.10
Less: Deferred tax Liabilities	477.72	98.72
	351.12	40.38

Movement in deferred tax balances

Particulars	As at March 31, 2018	Others	Recognized in P&L	Recognized in OCI	As at March 31, 2019
Deferred Tax Assets					
Accrued expenses	-	-	-	-	-
MAT Credit Entitlement	19.70	(6.66)	(7.23)	-	5.81
Property, plant and equipment & Intangible assets	18.05	-	10.64	-	28.69
Others	101.35	(92.73)	785.72	-	794.34
Sub- Total (a)	139.10	(99.39)	789.13	-	828.84
Deferred Tax Liabilities					
Property, plant and equipment & Intangible assets	98.72	(98.73)	477.73	-	477.72
Others	-	-	-	-	-
Sub- Total (b)	98.72	(98.73)	477.73	-	477.72
Net Deferred Tax Assets (a)-(b)	40.38	(0.66)	311.40	-	351.12

Particulars	As at April 1, 2017	Others	Recognized in P&L	Recognized in OCI	As at March 31, 2018
Deferred Tax Assets					
Accrued expenses	-	-	-	-	-
MAT Credit Entitlement	5.81	-	13.89	-	19.70
Property, plant and equipment & Intangible assets	17.13	-	0.92	-	18.05
Others	-	-	101.35	-	101.35
Sub- Total (a)	22.94	-	116.16	-	139.10

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

22. Deferred Tax (contd.)

(₹ in Lakhs)

Particulars	As at April 1, 2017	Others	Recognized in P&L	Recognized in OCI	As at March 31, 2018
Deferred Tax Liabilities					
Property, plant and equipment	0.28	83.11	15.33	-	98.72
Others	1.59	-	(1.59)	-	-
Sub- Total (b)	1.87	83.11	13.74	-	98.72
Net Deferred Tax Assets (a)-(b)	21.07	(83.11)	102.42	-	40.38

B. Deferred tax Liabilities

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Deferred tax Liabilities	6,589.88	5,912.93
Less: Deferred tax assets	923.40	636.56
	5,666.48	5,276.37

Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As at March 31, 2018	Others	Recognized in P&L	Recognized in OCI	As at March 31, 2019
Deferred Tax Assets					
Accrued expenses	376.19	-	68.75	11.00	455.94
MAT Credit Entitlement	260.37	6.66	26.00	-	293.03
Property, plant and equipment & Intangible assets	-	-	-	-	-
Others	-	92.73	81.70	-	174.43
Sub- Total (a)	636.56	99.39	176.45	11.00	923.40
Deferred Tax Liabilities					
Property, plant and equipment & Intangible assets	5,901.71	(226.09)	893.42	-	6,569.04
Others	11.22	-	9.62	-	20.84
Sub- Total (b)	5,912.93	(226.09)	903.04	-	6,589.88
Net Deferred Tax Liability (b)-(a)	5,276.37	(325.48)	726.59	(11.00)	5,666.48

* Includes reversal of ₹324.82 Lakhs due divestment in one of the subsidiary during the year.

(₹ in Lakhs)

Particulars	As at April 1, 2017	Others	Recognized in P&L	Recognized in OCI	As at March 31, 2018
Deferred Tax Assets					
Accrued expenses	314.37	-	53.32	8.50	376.19
MAT Credit Entitlement	276.29	-	(15.92)	-	260.37
Property, plant and equipment & Intangible assets	-	-	-	-	-
Others	-	-	-	-	-
Sub- Total (a)	590.66	-	3740	8.50	636.56
Deferred Tax Liabilities					
Property, plant and equipment & Intangible assets	5,297.26	(83.11)	687.56	-	5,901.71
Others	53.45	-	(42.23)	-	11.22
Sub- Total (b)	5,350.71	(83.11)	645.33	-	5,912.93
Net Deferred Tax Liability (b)-(a)	4,760.05	(83.11)	607.93	(8.50)	5,276.37

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

22. Deferred Tax (contd.)

The Group has recognised deferred tax assets on unabsorbed depreciations, carried forward tax losses and MAT Credit Entitlement. The Group has MAT Credit Entitlement, unabsorbed depreciations and incurred tax losses due to substantial expansion in earlier financial years. The Group has concluded that deferred tax assets on MAT Credit Entitlement, unabsorbed depreciations and carried forward tax losses will be recoverable using estimated future taxable income based on approved business plans and budgets. The Group is expected to generate taxable income in near future. MAT Credit Entitlement, unabsorbed depreciation and tax losses can be carried forward as per local tax regulations and the Group expects to recover the same in due course.

C. Amounts recognised in Statement of profit & loss

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax expense		
Current year	2,231.26	3,422.01
Income tax for earlier year	37.59	(2.06)
	2,268.85	3,419.95
Deferred tax expense		
Origination and reversal of temporary differences	415.19	505.51
	415.19	505.51
Total Tax Expense	2,684.04	3,925.46

D. Amounts recognised in Other Comprehensive Income

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred Tax Charge/(Credit)		
Remeasurements of defined benefit liability	11.00	8.50
	11.00	8.50

E. Reconciliation of effective tax rate

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Rate	Amount	Rate	Amount
Accounting Profit before tax		8,011.60		11,835.59
Tax using the Company's domestic tax rate	34.94%	2,799.57	34.61%	4,096.06
Tax effect of:				
Non-deductible expenses	-	112.72	-	73.23
Tax incentives	-	(266.08)	-	-
Changes in estimates related to prior years	-	35.68	-	(2.06)
Previously unrecognised deferred tax now recognised	-	2.04	-	(6.66)
Effect of Tax paid at Lower Rate	-	(159.85)	-	(85.81)
Others (including change in Tax Rate)	-	159.96	-	(149.30)
At the Effective Income Tax Rate	33.50%	2,684.04	33.17%	3,925.46

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

23. Other Non-Current Liabilities

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Security Deposits		
Less: Current Maturities	395.05	363.78
	56.67	81.06
	338.38	282.72

24. Borrowings

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Secured Loans:		
Working Capital Facilities from Banks*		
Working Capital Demand Loans	1,961.23	2,633.64
Cash Credit	9,485.31	13,563.50
Buyer's Credit	-	1,026.14
Unsecured Loans:		
- From Banks	4,800.00	3,000.70
- From Banks (Repayable on demand)	2.26	88.87
- From Others	229.81	229.81
- Discounting of Bills Payable	10,854.77	10,636.62
	27,333.38	31,179.28

*Working Capital Facilities from Banks are secured by:

- a First charge by way of hypothecation of stocks of raw materials, finished goods and stock in process, stores & spares and book debts and ranking pari-passu; and
- b Second and subservient charge by way of (i) Equitable Mortgage (EM) on all properties, both present and future, and (ii) hypothecation of current assets, all movable fixed assets ranking pari-passu, excluding assets exclusively charged. EM over certain land pieces is yet to be created.(iii) in case of few subsidiaries also guaranteed by their directors.

25. Trade Payables

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Outstanding dues of Micro Enterprises and Small Enterprises#	87.53	-
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	19,774.09	23,316.10
	19,861.62	23,316.10

For MSME disclosure, Refer Note no. 50.

26. Other Financial Liabilities

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Current Maturities of Non Current Borrowings	6,251.35	6,240.81
Current Maturities of Other Non Current Liabilities	-	27.82
Interest Accrued	102.61	94.04
Capital Creditors	820.82	907.33
Unclaimed Dividends	555.53	36.66
Preference shares	113.19	113.19
	7,843.50	7,419.85

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

27. Other Current Liabilities

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Statutory Dues	2,790.63	2,552.08
Security Deposits (including Current maturities of Other Non Current Liabilities)	88.75	112.03
Advance from Customers	405.42	505.35
Sales Incentive	2,574.85	2,622.61
Others*	2,489.32	3,094.35
	8,348.97	8,886.42

*includes accruals to employees and others.

28. Provisions (Current)

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Employees Benefits	85.77	65.08
	85.77	65.08

29. Current Tax Liabilities (net)

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Income Tax [Net of Advance March 31, 2019-₹51.24 Lakhs, (Previous year 15,590.71 Lakhs)]	31.60	610.59
	31.60	610.59

30. Revenue from Operations

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Sales of Goods	1,70,833.14	1,74,292.31
Other Operating Revenue		
Scrap Sales	262.59	345.06
Sundry Balance Written Back	251.50	52.09
Insurance Claim Received	158.17	52.36
	1,71,505.40	1,74,741.82
Less: Capitalized/ Transferred to CWIP	-	23.18
	1,71,505.40	1,74,718.64

31. Other Income

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income	1,356.13	1,281.70
Profit on Sale of Property, Plant and Equipments	119.96	102.65
Profit on Sale of Current Investments	245.62	213.57
Net Gain on Fair Value of Current Investments	66.93	-
Net Gain on Foreign Currency Translations and Transactions	-	155.78
Miscellaneous Income	135.49	151.62
	1,924.13	1,905.32
Less: Capitalized/ Transferred to CWIP	8.42	93.95
	1,915.71	1,811.37

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

32. Cost of Materials Consumed

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Material Consumed	36,679.40	38,754.62
Packing Material Consumed	6,815.25	6,991.57
	43,494.65	45,746.19
Less: Capitalized/ Transferred to CWIP	144.36	177.29
	43,350.29	45,568.90

33. Change in Inventories of Finished Goods Work-in-progress and Stock-in-Trade

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Closing Stock		
Finished Goods	15,363.54	12,589.71
Stock-in-Trade	3,676.37	3,008.83
Total Finished Goods	19,039.91	15,598.54
Work-in-Progress	1,858.55	1,485.37
	20,898.46	17,083.91
Less: Opening Stock		
Finished Goods*	12,735.77	10,309.13
Stock-in-Trade	3,008.83	2,724.54
Total Finished Goods	15,744.60	13,033.67
Work-in-Progress #	1,573.94	1,235.73
	17,318.54	14,269.40
(Increase)/ Decrease in Stock	(3,579.92)	(2,814.51)
Add / (Less): (Increase) Decrease in Excise duty on Stock	-	1,007.42
	(3,579.92)	(3,821.93)

* includes transfer on commissioning of new product line during the year by a subsidiary of ₹146.06 lacs (Previous year by the Parent company ₹122.84 Lakhs)

includes transfer on commissioning of new product line during the year by a subsidiary of ₹88.57 Lakhs (Previous year Nil)

34. Employee Benefit Expense

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Salary, Wages, Bonus etc.	21,376.15	20,483.75
Contribution to Provident and Gratuity Fund	738.53	723.70
Workmen & Staff Welfare	620.10	571.64
	22,734.78	21,779.09
Less: Capitalized/ Transferred to CWIP	116.14	33.68
	22,618.64	21,745.41

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

35. Finance Costs

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest	4,834.12	3,901.87
Other Borrowing Costs	217.04	218.22
	5,051.16	4,120.09
Less: Capitalized/ Transferred to CWIP	459.21	128.05
	4,591.95	3,992.04

36. Other Expenses

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Stores and Spare Parts Consumed	6,127.87	6,503.11
Power & Fuel	36,992.31	34,880.50
Repairs and Maintenance:		
Buildings	127.84	161.44
Plant & Machinery	508.50	538.82
Others	173.19	236.86
Rent	1,037.26	978.86
Rates & Taxes	362.12	238.63
Insurance	490.50	224.56
Travelling and Conveyance	2,455.49	2,398.69
Net loss on foreign currency translations and transactions	1.49	-
Freight Outward and Handling Charges	3,664.94	4,361.50
Advertisement & Sales Promotion	4,893.61	5,954.85
Commission to Agents	433.55	442.94
CSR Expenses	216.72	197.75
Provision for credit losses	284.90	119.65
Bad Debts	136.76	
Less: Provision for Credit Loss Reversed	32.43	104.33
Investment Written off	89.30	
Less: Provision for Dimunition in Investment	89.30	-
Sundry Balances Written Off	18.31	17.94
Loss on Sale of Property, Plant and Equipment	174.09	393.90
Property, Plant and Equipments Discard /Written Off	25.29	-
Movement in Fair Value of Investments	-	61.27
Other Expenses*	2,656.82	2,742.10
	60,749.13	60,453.37
Less: Capitalized/ Transferred to CWIP	383.34	201.35
	60,365.79	60,252.02

* For Payment to Statutory Auditor, Refer Note No. 44.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

37. Earning per share

	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit for the year	4,634.17	7,044.42
Weighted average number of equity shares of ₹2/- each	4,23,79,426	4,23,79,426
EPS - Basic and Diluted (Per share in ₹)	10.93	16.62

38. Contingent liabilities, contingent assets and commitments

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
A. Contingent liabilities (not provided for) in respect of:		
1. Claim and other demands against the Group not acknowledged as debts.	168.65	162.92
2. Sales Tax and purchase tax demands, among others against which the Group has preferred appeals.	536.18	850.17
3. Excise and custom duty (excluding interest and penalty) and service tax demands and show-cause notices issued against which the Group/Department has preferred appeals/ filed replies.	36.53	36.60
4. Income tax and wealth tax demand disputed by the Group which excludes penalty, if any, as same can not be measured at this stage.	125.84	106.41
5. a) Local Area Development Tax imposed by the State of Haryana disputed by the Group.	810.78	810.78
b) Entry Tax matter pending before Hon'ble High Court of Calcutta.	38.88	38.88
6. Demand from ESIC disputed by the Group.	15.41	15.41
Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities. However, the Group has reviewed all its pending litigation and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceeding to have a materially adverse effect on its financial position. The Group does not expects any payment in respect of the above contingent liabilities.		
B. Surety Bonds executed in favor of various Govt. authorities on behalf of body corporate.	12.50	12.50
C. Others		
(i) The Group has procured certain capital goods under EPCG scheme at concessional rate of duty. As on March 31, 2019 the company is contingently liable to pay differential custom duty of 155.88 Lakhs (Previous year - ₹476.74 Lakhs) on such procurement.		
(ii) In light of recent judgment of Honorable Supreme Court dated 28, February 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Group's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence, it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.		
D. Commitments		
i) Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	1,226.15	1,180.47
(ii) The Company, in terms of the Share Subscription cum Shareholders Agreements with associate and subsidiary companies, may contribute funds (loan / equity) in the proportion of its shareholding for the purpose of meeting repayment obligation to banks, financial institutions or other lenders, any statutory liability, liabilities towards fuel suppliers or such other similar liabilities, fund requirement for expansion/ diversification, etc. The Company has committed to a bank, for the same, in respect of one of the subsidiary. The Company shall not withdraw the funds so infused, if any, till the money remain due to bank.		

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

39. Foreign exchange derivatives and exposures outstanding at the year-end:

(₹ in Lakhs)

Particulars	March 31, 2019		March 31, 2018	
	Amount (Foreign Currency in Lakhs)	Amount (Equivalent ₹ in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (Equivalent ₹ in Lakhs)
Open Exposures				
Receivables-USD	12.83	880.79	12.65	820.28
Receivables-EURO	-		0.21	16.93
Payables-USD	55.73	3,866.97	60.78	3,929.91
Payables-EURO	4.34	339.61	10.19	824.17

40. Details of Investment made, Loan and Guarantee given covered under section 186(4) of Companies Act, 2013

a) Loan given for business purposes (₹ in Lakhs)

Name	Terms of repayment	For the year ended		Outstanding as on	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Zealous Financial Services Pvt. Ltd.	Within one year	585.00	500.00	1,085.00	500.00
Commander Vitrified Pvt. Ltd.	Within one year	345.00	-	345.00	-
Tinna Rubber & Infrastructure Ltd.	Within one year	-	100.00	100.00	100.00
JSTI Investment Ltd.	Within one year	800.00	-	800.00	-
AM Mobile Telecom Pvt. Ltd.	Within one year	1,800.00	-	1,800.00	-
Devang Consultancy Services Pvt. Ltd.	Within one year	300.00	-	300.00	-
Kushagra Properties Pvt. Ltd.	Within one year	300.00	-	300.00	-
Mentor Financial Services Pvt. Ltd.	Within one year	910.00	-	910.00	-
J R Laddha Financial Services (P) Ltd	Within one year	300.00	-	300.00	-

The above loans carries interest rate in the range of 9.50% to 14.50% (Previous Year 10.50% to 14.50%)

b) Details of investments made is given in Note No. 4 and 9.

c) Details of gurantee and security given in Note No. 38.

41. Employee benefits

The Group contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Group makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Contribution to government Provident Fund and Other Funds	599.68	568.39

Contributions to Provident and other Funds' of the Statement of Profit & Loss includes ₹599.68 Lakhs (Previous year ₹568.39 Lakhs) towards contribution to Provident Fund.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

41. Employee benefits (contd.)

(ii) Defined Benefit Plan:

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the Group.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	As at March 31, 2019			As at March 31, 2018		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Opening Balance	1,365.16	1,385.81	(20.65)	1,254.76	1,286.83	(32.06)
Included in profit & loss						
Current service cost	136.02	-	136.02	127.55	-	127.55
Interest cost / (income)	105.25	(106.85)	(1.60)	92.23	(94.58)	(2.36)
Past Service Cost including curtailment	-	-	-	25.67	-	25.67
Gains/Losses	241.27	(106.85)	134.42	245.44	(94.58)	150.86
Included in OCI						
Remeasurements loss / (gain)						
Actuarial loss / (gain) arising from:			-			
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	6.02	-	6.02	(40.56)	-	(40.56)
- experience adjustment	44.66	-	44.66	69.30	-	69.30
- on plan assets	-	(19.21)	(19.21)	-	(4.40)	(4.40)
	50.68	(19.21)	31.47	28.74	(4.40)	24.34
Other						
Contributions paid by the employer					-	-
Benefits paid	(166.65)	-	(166.65)	(163.79)	-	(163.79)
	(166.65)	-	(166.65)	(163.79)	-	(163.79)
Closing Balance	1,490.46	1,511.87	(21.41)	1,365.16	1,385.81	(20.65)

- a) In some of the subsidiary company ₹5.56 Lakhs (Previous year ₹4.45 Lakhs) amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

41. Employee benefits (contd.)

B. Plan assets

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Fund managed by insurer	100%	100%
	100%	100%

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Discount rate	7.66%	7.71%
Expected rate of future salary increase	5.00%	5.00%
Mortality	100% of IALM (2006 - 08)	

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The Group expects to pay ₹147.82 Lakhs (Previous Year ₹141.49 Lakhs) in contribution to its defined benefit plans in the next year.

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

	As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(58.75)	45.51	(53.55)	57.63
Expected rate of future salary increase (0.5% movement)	43.97	(58.17)	56.06	(52.76)

Sensitivities due to mortality & withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

E. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

- A) Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.
- B) Investment Risk – Assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability / Assets.
- C) Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

42. Related parties

A. Related parties and their relationships as identified by the Company

i Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. Shreekant Somany	Chairman & Managing Director
Mr. Abhishek Somany	Managing Director (Son of Chairman & Managing Director)
Mrs. Anjana Somany	Whole time Director (Wife of Chairman & Managing Director)
Mr. G.G. Trivedi	Additional Director w.e.f. September 1, 2017 (CEO upto August 31, 2017)
Mr. T.R. Maheshwari^	CEO w.e.f. January 30, 2018 (Deputy CEO and CFO upto January 29, 2018)
Mr. Saikat Mukhopadhyay^	CFO w.e.f January 30, 2018
Mr. Ambrish Julka^	DGM (Legal) & Company Secretary
Mrs. Minal Somany	Wife of Managing Director
Mr. G. L. Sultania	Non- Executive Director (upto May 24, 2018)
Mr. Siddarath Bindra	Non- Executive Director
Mr. R.K. Daga	Non- Executive Director
Mr. Ravindra Nath	Non- Executive Director
Mr. Salil Singhal	Non- Executive Director
Mr. Y. K. Alagh	Non- Executive Director
Mr. Rameshwar Singh Thakur	Non- Executive Director w.e.f May 24, 2018
Mrs. Rumjhumi Chatterjee	Non- Executive Director w.e.f September 1, 2018
Mr. Narayan Anand	Non- Executive Director (upto April 12, 2017)

[^] KMP under the Companies Act, 2013.

ii Associate (Joint Venture upto June 01, 2017)

SKPL Ceramics Private Limited (Formerly Somany Keraben Private Limited) upto June 1, 2017*

*The company is struck off during the year.

iii. Enterprise over which Company exercise significant influence and with whom transactions have taken place during the year:

H. L. Somany Foundation

iv. Enterprise over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

Schablonia India Limited (w.e.f. January 10, 2018)

Vidres India Ceramics Private Limited

Yogi Cerachem Private Limited

Ishiv India Solutions Private Limited

v. Other related parties with which Company has transactions:

Name

Biba Apparels Private Limited

Private company in which director is a director

Shree Cement Limited

Public company in which Executive director is a director.

Wolkem India Limited

Public company in which director is a director and holds more than 2% shares alongwith relatives

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

42. Related parties (contd.)

B. Transactions with the above in the ordinary course of business

(₹ in Lakhs)

Nature of Transactions	For the year ended	
	March 31, 2019	March 31, 2018
a) Payments to Key Managerial Personnel and their relatives		
Mr. Shreekant Somany		
-Remuneration	296.28	340.97
- Commission	45.80	146.14
Outstanding at the year-end:		
- Remuneration Payable	10.16	-
- Commission Payable	45.80	146.14
Mr. Abhishek Somany		
-Remuneration	346.97	294.78
- Commission	-	192.33
- Rent Paid	9.36	8.92
Outstanding at the year-end:		
- Remuneration Payable	14.88	-
- Commission Payable	-	192.33
Mrs. Anjana Somany		
-Remuneration	26.90	26.99
- Rent Paid	3.20	3.05
Outstanding at the year-end:		
- Remuneration Payable	1.76	-
Mrs. Minal Somany		
-Remuneration	27.15	27.15
- Rent Paid	15.14	17.32
Outstanding at the year-end:		
- Salary Payable	1.30	1.31
Mr. G.G. Trivedi		
-Remuneration	-	197.80
-Consultancy Fees	33.00	29.50
-Commission	5.00	2.90
-Sitting Fees	1.00	0.45
Outstanding at the year-end:		
- Commission Payable	4.75	2.61
Mr. T.R. Maheshwari		
-Remuneration	115.20	115.64
Outstanding at the year-end:		
-Salary Payable	4.51	3.50
-Advance Receivable	30.00	30.00
Mr. Saikat Mukhopadhyay		
-Remuneration	102.64	18.18
Outstanding at the year-end:		
-Salary Payable	3.95	5.82
Mr. Ambrish Julka		
-Remuneration	27.66	25.78

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

42. Related parties (contd.)

(₹ in Lakhs)

Nature of Transactions	For the year ended	
	March 31, 2019	March 31, 2018
Outstanding at the year-end:		
-Salary Payable	1.30	1.06
Non- Executive Directors		
Mr. G. L. Sultania		
-Commission	0.74	5.00
-Sitting Fees	0.30	1.35
Outstanding at the year-end:		
-Commission Payable	0.70	4.50
Mr. Siddharath Bindra		
-Commission	5.00	5.00
-Sitting Fees	0.90	1.20
Outstanding at the year-end:		
-Commission Payable	4.75	4.50
Mr. R.K. Daga		
-Commission	5.00	5.00
-Sitting Fees	1.15	1.40
Outstanding at the year-end:		
-Commission Payable	4.75	4.50
Mr. Ravindra Nath		
-Commission	5.00	5.00
-Sitting Fees	0.55	0.55
Outstanding at the year-end:		
-Commission Payable	4.75	4.50
Mr. Salil Singhal		
-Commission	5.00	5.00
-Sitting Fees	0.75	1.10
Outstanding at the year-end:		
-Commission Payable	4.75	4.50
Mr. Y. K. Alagh		
-Commission	5.00	5.00
-Sitting Fees	0.45	0.20
Outstanding at the year-end:		
-Commission Payable	4.75	4.50
Mr. Rameshwar Singh Thakur		
- Commission	4.27	-
- Sitting Fees	0.30	-
Outstanding at the year-end:		
- Commission Payable	4.06	-
Mrs. Rumjhumi Chatterjee		
- Commission	2.90	-
- Sitting Fees	0.15	-
Outstanding at the year-end:		
- Commission Payable	2.76	-

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

42. Related parties (contd.)

(₹ in Lakhs)

Nature of Transactions	For the year ended	
	March 31, 2019	March 31, 2018
Summary of payment made to KMP		
Short term employee benefits*	1,032.07	1,306.19
Post employment benefits	-	118.73
Other Payments	60.71	58.79
* excludes provision in respect of gratuity, compensated absenses etc. as the same is determined on an actuarial basis for company as whole and includes commission to directors which is payable after approval of shareholders in annual general meeting.		
b) -SKPL Ceramics Private Limited		
Payment made on their behalf	-	0.14
With Other Related Parties are as under:-		
c) Schablonia India Limited		
-Purchase Of Goods	90.57	57.41
-Sales of Goods	162.20	338.47
-Rent Received	0.99	3.80
Outstanding at the year-end:		
-Trade Payables	-	14.03
-Trade Receivable	1,145.89	1,175.13
-Co-surety taken	12.50	12.50
Biba Apparels Private Limited		
-Sale of Goods	3.67	7.31
Outstanding at the year-end:		
-Trade Receivable	1.75	0.20
Shree Cement Limited		
-Purchase of goods	82.70	34.26
Wolkem India Limited		
-Purchase of goods	10.76	11.61
Yogi Cerachem Private Limited		
-Purchase of goods	4.21	33.39
Outstanding at the year-end:		
-Trade Payable	-	1.77
Vidres India Ceramics Private Limited		
-Purchase of goods	3,189.25	4,100.41
-Sale of Fixed Assets	7.18	-
Outstanding at the year-end:		
-Trade Payable	346.92	155.38
H. L. Somany Foundation		
-Contribution towards CSR Activities	202.84	180.52
-Rent Received	0.24	0.06
-Payments made on their behalf	5.70	1.39
Ishiv India Solution Private Limited		
-Purchase of goods	164.94	184.44
-Services Received	2.77	23.37
Outstanding at the year-end:		
-Trade Payable	8.47	8.89

For guarantee and surety given to related parties, refer Note 38(B).

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

43. Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

Particulars	As at March 31, 2019		As at March 31, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investments				
Current	6,825.95	-	11,418.47	-
Loans				
Non current	-	500.00	-	25.00
Current	-	5,840.00	-	853.60
Trade receivables	-	41,794.20	-	50,371.50
Cash and cash equivalents	-	2,950.41	-	578.19
Bank balances other than above	-	1,053.07	-	782.07
Others				
Non current	-	1,261.56	-	1,073.66
Current	-	645.96	-	489.23
	6,825.95	54,045.20	11,418.47	54,173.25
Financial liabilities				
Borrowings				
Non current	-	23,727.99	-	16,543.96
Current	-	27,333.38	-	31,179.28
Other financial liabilities				
Non Current	-	2,474.11	-	2,229.95
Current	-	7,843.50	-	7,419.85
Trade payables	-	19,861.62	-	23,316.10
	-	81,240.60	-	80,689.14

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Particulars	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	91.22	6,734.73	-	6,825.95
Total financial assets	91.22	6,734.73	-	6,825.95

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

43. Financial instruments – Fair values and risk management (contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	2,104.23	9,314.24	-	11,418.47
Total financial assets	2,104.23	9,314.24	-	11,418.47

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

C. Financial assets and liabilities measured at amortised cost

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans				
Non Current	500.00	500.00	25.00	25.00
Current	5,840.00	5,840.00	853.60	853.60
Trade receivables	41,794.20	41,794.20	50,371.50	50,371.50
Cash and cash equivalents	2,950.41	2,950.41	578.19	578.19
Bank balances other than above	1,053.07	1,053.07	782.07	782.07
Others				
Non Current	1,261.56	1,261.56	1,073.66	1,073.66
Current	645.96	645.96	489.23	489.23
	54,045.20	54,045.20	54,173.25	54,173.25
Financial liabilities				
Borrowings				
Non current	23,727.99	23,727.99	16,543.96	16,543.96
Current	27,333.38	27,333.38	31,179.28	31,179.28
Other Financial Liability				
Non current	2,474.11	2,474.11	2,229.95	2,229.95
Current	7,843.50	7,843.50	7,419.85	7,419.85
Trade payables	19,861.62	19,861.62	23,316.10	23,316.10
	81,240.60	81,240.60	80,689.14	80,689.14

The management considers that the carrying amount of financial assets and financial liabilities carried as amortised cost approximates their fair value.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

43. Financial instruments – Fair values and risk management (contd.)

II. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the processes to control risks through defined framework.

The Company's risk management policy is established to identify and analyse the risks faced by the Group, to set appropriate controls. Risk management policy is reviewed by the board annually to reflect changes in market conditions and the Group's activities.

The Company's Audit Committee oversees compliance with the Company's risk management policy, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Financial loss to the Group, arising, if a customer or counterparty to a financial instrument fails to meet its contractual obligations principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Group monitor credit risk closely both in domestic and export market.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sales credit limit are set up for each customer and reviewed periodically. The credit risk from loans to other corporate is managed in accordance with the Company's fund management policy that includes parameters of safety, liquidity and post tax returns. The Group's review includes market check, industry feedback, past Financial and external ratings, if they are available, and in some cases bank reference checks are also done.

The Group creates allowances for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The gross carrying amount of trade receivables is ₹42,366.26 Lakhs (Previous year -₹50,691.03 Lakhs).

Reconciliation of loss allowance provision – Trade receivables

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Opening balance	319.53	220.10
Changes in loss allowance	252.53	99.43
Closing balance	572.06	319.53

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

43. Financial instruments – Fair values and risk management (contd.)

Investments

Group invests in Bonds, Debentures, Liquid Mutual Funds etc., in accordance with the Company's Investment Policy that includes parameters of safety, liquidity and post tax returns. Group avoids the concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position as well as held to maturity policy. The Group's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the Group does not expect any significant risk of default.

iii. Liquidity risk

Liquidity risk is the risk that the Group may face difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure, as far as possible, sufficient liquidity to meet its obligations, under both normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

(₹ in Lakhs)

Particulars	Carrying Amount March 31, 2019	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Non Current Borrowings	29,979.34		6,251.35	18,887.33	4,840.66
Other non-current financial liabilities	2,474.11			2,474.11	-
Current Borrowings	27,333.38	11,678.61	15,654.77	-	-
Trade payables	19,861.62		19,861.62	-	-
Other current financial liabilities	1,592.15	-	1,592.15	-	-
Total financial liabilities	81,240.60	11,678.61	43,359.89	21,361.44	4,840.66

(₹ in Lakhs)

Particulars	Carrying Amount March 31, 2018	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Non Current Borrowings	22,784.76	-	6,240.80	15,752.62	791.34
Other non-current financial liabilities	2,257.77	-	27.82	2,229.95	-
Current Borrowings	31,179.28	16,427.66	14,751.62	-	-
Trade payables	23,316.10		23,316.10	-	-
Other current financial liabilities	1,151.22	-	1,151.22	-	-
Total financial liabilities	80,689.13	16,427.66	45,487.56	17,982.57	791.34

iv. Market risk

Risk on account of changes in foreign exchange rates, interest rates etc. that may affect the Group's income or the value of its holdings of financial instruments. The objective of market risk is to optimize the return by managing and controlling the market risk exposures within acceptable parameters.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

43. Financial instruments – Fair values and risk management (contd.)

v. Currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO. The risk is measured through a forecast of highly probable foreign currency cash flows.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Company is as follows (Foreign currency in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	USD	EUR	USD	EUR
Trade payables	16.31	0.26	59.88	7.40
Payable for capital goods	0.20	4.08	0.20	2.79
Borrowings	39.22	-	-	-
Less Trade receivables	12.83	-	12.65	0.21
Net statement of financial position exposure	42.90	4.34	47.43	9.98

The following significant exchange rates have been applied

Particulars	Average Rates		Year end spot rates	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD 1	69.94	64.44	69.39	65.43
EUR 1	80.96	75.42	78.33	81.12

Sensitivity analysis

Every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Group's incremental profit before tax and equity, net of tax as per below :

(₹ in Lakhs)

Particulars	(Profit) or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2019				
USD (10% movement)	(297.67)	297.67	(193.65)	193.65
EUR (10% movement)	(33.96)	33.96	(22.09)	22.09
March 31, 2018				
USD (10% movement)	(310.35)	310.35	(201.90)	201.90
EUR (10% movement)	(80.96)	80.96	(52.67)	52.67

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2019 and March 31, 2018, the Group's borrowings at variable rate were denominated mainly in Indian Rupees.

Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

43. Financial instruments – Fair values and risk management (contd.)

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	(₹ in Lakhs)	
	March 31, 2019	March 31, 2018
Fixed-rate instruments		
Financial assets	14,833.83	12,011.91
Financial liabilities	10,284.68	8,523.21
	25,118.51	20,535.12
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	49,016.85	47,425.37
	49,016.85	47,425.37

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	(Profit) or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2019				
Variable-rate instruments	(245.08)	245.08	(159.44)	159.44
Cash flow sensitivity	(245.08)	245.08	(159.44)	159.44
March 31, 2018				
Variable-rate instruments	(237.13)	237.13	(154.27)	154.27
Cash flow sensitivity	(237.13)	237.13	(154.27)	154.27

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

44. Payment to Auditors

(₹ in Lakhs)

Particulars	March 31, 2019		March 31, 2018	
	Statutory Auditor of Parent Company	Statutory Auditor of Subsidiary Companies	Statutory Auditor of Parent Company	Statutory Auditor of Subsidiary Companies
Statutory audit fee	10.50	19.64	10.50	16.98
Tax audit fee	2.50	0.35	2.50	0.41
Certification fee	4.39	1.13	6.84	0.00
Audit of opening and comparative financials	-	-	12.90	-
Reimbursement of expenses	1.19	0.29	1.21	0.00
Total	18.58	21.41	33.95	17.40

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

45. The Group has taken warehouse locations on operating lease. The operating lease arrangements are renewable on periodic basis. Some of these agreements have price escalation clauses.

Particulars	For the year ended		(₹ in Lakhs)
	March 31, 2019	March 31, 2018	
Not later than one year	591.48	568.00	
Later than one year and not later than five years	1,842.28	2,082.82	
Later than five years	724.43	1,075.38	

46. Exceptional item of ₹1,224.48 Lakhs consists of (i) Gain of ₹48.82 Lakhs from divestment of investment in Commander Vitrified Pvt. Ltd. (ii) Gain of ₹510.73 Lakhs on account of provision written back, created earlier towards levy of additional tax on procurement of natural gas in Haryana plant (iii) Loss of ₹198.21 Lakhs due to non-recoverability of an insurance claim in respect of loss of stock due to fire (iv) Loss of ₹1,585.82 Lakhs due to defalcation committed by an employee (refer note 48 (a) below).

47. Out of ₹11,999.97 Lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilized ₹1,849.97 Lakhs (previous year ₹1,849.97 Lakhs), including issue expenses of ₹307.34 Lakhs, for the purpose the fund were so raised and balance ₹10,150.00 Lakhs (previous year ₹10,150.00 Lakhs) has been temporarily invested mainly in the debt instruments/ funds.

48. Events after the Balance Sheet Date

- (a) Post balance sheet date, the Company has discovered defalcation of ₹1585.82 Lakhs committed by an employee, responsible for payment processing of certain imported trading goods. Matter is being investigated by law enforcement agencies. The Company has insured such defalcation risks under "Employee Dishonesty Insurance Policy". The Company is confident of recovering the same. However, as a matter of abundant caution, the same has been accounted for in books of accounts, being an adjusting event as per Ind AS 10 ('Event after the Reporting Period').
- (b) The Board of directors has recommended dividend of ₹2.00 (Previous Year ₹2.70) per equity share aggregating ₹1,021.81 Lakhs (Previous Year ₹1,379.45 Lakhs) including corporate dividend tax of ₹174.22 Lakhs (Previous Year ₹235.20 Lakhs) for the financial year ended March 31, 2019 and same is subject to approval of shareholders at the ensuing Annual General Meeting.

49. Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Ceramic Tiles and Allied products" and substantially sale of the product is within the country. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

50. Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	(₹ in Lakhs)	
	March 31, 2019	March 31, 2018
Principal amount and Interest due thereon remaining unpaid to any supplier as on	-	-
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

50. (contd.)

Particulars	(₹ in Lakhs)	
	March 31, 2019	March 31, 2018
the amount of interest accrued and remaining unpaid during the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

51. Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Group.

Particulars	(₹ in Lakhs)	
	March 31, 2019	March 31, 2018
Equity Share Capital	847.59	847.59
Other Equity	60,452.99	57,220.66
Non Controlling Interest	8,671.65	9,590.59
Total Equity	69,972.23	67,658.84
Non-Current Borrowings	23,727.99	16,543.96
Current maturities of Non-Current Borrowings	6,251.35	6,240.81
Current Borrowings	27,333.38	31,179.28
Preference Shares	113.19	113.19
Total Debts	57,425.91	54,077.24

52. Changes in Liabilities and Asset from Financing Activities are as under:

Particulars	As at March 31, 2019	Cash Flow	Non- Cash Changes			As at March 31, 2018
			Obtaining/ losing Control of Subsidiary	Foreign Exchange Movement	Fair Value Movement	
Non Current borrowings	29,979.34	8,773.68	(1,796.94)	217.84	-	22,784.76
Current borrowings	27,333.38	(1,568.04)	(2,277.86)	-	-	31,179.28
Issue of Share Capital	847.59	-	-	-	-	847.59
Security Premium	16,389.03	-	-	-	-	16,389.03
Total liabilities from financing activities	74,549.34	7,205.64	(4,074.80)	217.84	-	71,200.66

Particulars	As at March 31, 2018	Cash Flow	Non- Cash Changes			As at March 31, 2017
			Obtaining/ losing Control of Subsidiary	Foreign Exchange Movement	Fair Value Movement	
Non Current borrowings	22,784.76	(765.38)	-	23.50	-	23,526.64
Current borrowings	31,179.28	4,982.09	-	25.19	-	26,172.00
Issue of Share Capital	847.59	-	-	-	-	847.59
Security Premium	16,389.03	-	-	-	-	16,389.03
Total liabilities from financing activities	71,200.66	4,216.71	-	48.69	-	66,935.26

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

53. Business Combination

(a) Divestment in Subsidiary

During the year, parent company has divested its investment in one of its subsidiary Commander Vitrified Private Limited on July 1, 2018 for the consideration of ₹857.03 Lakhs.

Summary of Consolidated Assets and Liabilities of Subsidiary in which divestment made during the year: (₹ in Lakhs)

Particulars	Amount
Non Current Assets	4,799.52
Current Assets	6,462.80
Non Current Liabilities	1,540.50
Current Liabilities	6,614.54
Net Assets	3,107.28

Summary of Revenue and Expenditure of Subsidiary, in which divestment made during the year, included in Consolidated Statement of Profit & Loss: (₹ in Lakhs)

Particulars	Amount
Revenue	3,487.51
Less Expenses	3,608.69
Profit before tax	(121.18)
Tax Expense	(33.71)
PAT	(87.47)

Summary of Gain on divestment in subsidiary (₹ in Lakhs)

Particulars	Amount
Net Assets Disposed off	(3,107.28)
Non Controlling interests	2,299.07
Consideration received on divestment	857.03
Gain on divestment	48.82

(b) Acquisition of a Subsidiary

Considering the strategic advantage of consistency in quality and continuity of supply in the proximity to northern market, the parent company on May 1, 2018, acquired 51% equity stake in Karanjot Enterprises Pvt. Ltd. (subsequently renamed as Somany Bath Fittings Private Limited), having faucet manufacturing facility at Derabassi (Chandigarh), for cash consideration of ₹680.10 Lakhs, calculated using discounted cash flow method. Value of assets and liabilities recognised as on the acquisition date is of ₹463.99 Lakhs and ₹373.15 Lakhs respectively.

54. The Consolidated Financial Statements include the accounts of Somany Ceramics Limited (Parent Company) and its subsidiaries as detailed below:

Particulars	Country of Incorporation	Percentage of Ownership interest as at March 31, 2019	Percentage of Ownership interest as at March 31, 2018
SR Continental Limited	India	100%	100%
Somany Bathware Limited (Formerly known as Somany Global Limited)	India	100%	100%
Amora Tiles Private Limited	India	51%	51%
Somany Fine Vitrified Private Limited	India	51%	51%
Somany Sanitaryware Private Limited	India	51%	51%
Somany Excel Vitrified Private Limited	India	100%	100%
Vintage Tiles Private Limited	India	50%	50%

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

54. The Consolidated Financial Statements include the accounts of Somany Ceramics Limited (Parent Company) and its subsidiaries as detailed below: (contd.)

Particulars	Country of Incorporation	Percentage of Ownership interest as at March 31, 2019	Percentage of Ownership interest as at March 31, 2018
Commander Vitrified Private Limited (Ceases w.e.f. July 1, 2018)	India	0%	26%
Vicon Ceramic Private Limited	India	26%	26%
Acer Granito Private Limited	India	26%	26%
Sudha Somany Ceramics Private Limited (Formerly known as Sudha Ceramics Private Limited) #	India	60%	51%
Amora Ceramics Private Limited (w.e.f. March 30, 2018)	India	51%	51%
Somany Bath Fittings Pvt. Ltd. (Formerly known as Karanjot Enterprises Pvt. Ltd.) (w.e.f. May 1, 2018)	India	51%	-

#The parent company has increased their investment of 51% to 60% w.e.f. May 1, 2018.

55. Disclosure of the additional information as required by the Schedule III:

a) As at and for the year ended March 31, 2019

(₹ in Lakhs)

Name of the Entity	Net Assets,i.e., total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated Profit/(Loss)	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
Parent								
Somany Ceramics Limited	96.58%	59,205.27	99.96%	4,632.21	100%	(20.47)	99.96%	4,611.74
Subsidiaries (Indian)								
SR Continental Ltd.	0.23%	138.64	-0.15%	(7.00)	0%	-	-0.15%	(7.00)
Somany Global Ltd.	0.14%	85.24	0.07%	3.30	0%	-	0.07%	3.30
Amora Tiles Pvt. Ltd.	2.99%	1,831.47	-4.74%	(219.72)	0%	-	-4.76%	(219.72)
Somany Fine Vitrified Pvt. Ltd.	3.80%	2,330.85	3.56%	164.92	0%	-	3.57%	164.92
Somany Sanitaryware Pvt. Ltd.	1.84%	1,125.81	1.33%	61.73	0%	-	1.34%	61.73
Somany Excel Vitrified Pvt. Ltd	0.37%	229.66	-0.09%	(4.07)	0%	-	-0.09%	(4.07)
Vintage Tiles Pvt. Ltd.	2.78%	1,704.99	1.83%	84.84	0%	-	1.84%	84.84
Commander Vitrified Pvt. Ltd.	0.00%	-	-1.89%	(87.47)	0%	-	-1.90%	(87.47)
Acer Granito Pvt. Ltd.	3.85%	2,358.87	3.45%	159.77	0%	-	3.46%	159.77
Vicon Ceramic Pvt. Ltd.	1.50%	917.53	1.94%	89.87	0%	-	1.95%	89.87
Sudha Somany Ceramics Pvt Ltd.	2.58%	1,579.29	2.17%	100.72	0%	-	2.18%	100.72
Amora Ceramics Pvt Ltd.	1.16%	712.92	-3.74%	(173.46)	0%	-	-3.76%	(173.46)
Somany Bath Fittings Pvt. Ltd. (Formerly known as Karanjot Enterprises Pvt. Ltd.)	1.34%	818.85	1.04%	48.21			1.04%	48.21
Non Controlling Interest in All Subsidiaries	-14.15%	(8,671.68)	-14.96%	(693.39)	0%	-	-15.03%	(693.39)
Consolidated Adjustments/ Eliminations*	-5.00%	(3,067.14)	10.22%	473.70	0%	-	10.27%	473.70
	100.00%	61,300.58	100.00%	4,634.16	100.00%	(20.47)	100.00%	4,613.69

Notes to Consolidated Financial Statements for the Year Ended March 31, 2019

55. Disclosure of the additional information as required by the Schedule III (contd.)

b) As at and for the year ended March 31, 2018

Name of the Entity	Net Assets,i.e., total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated Profit/(Loss)	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
Parent								
Somany Ceramics Limited	96.39%	55,972.98	92.41%	6,510.01	100%	(15.84)	92.40%	6,494.17
Subsidiaries (Indian)								
SR Continental Ltd.	0.25%	145.65	-0.10%	(6.74)	0%	-	-0.10%	(6.74)
Somany Global Ltd.	0.14%	81.94	0.08%	5.59	0%	-	0.08%	5.59
Amora Tiles Pvt. Ltd.	3.53%	2,051.18	4.08%	287.24	0%	-	4.09%	287.24
Somany Fine Vitrified Pvt. Ltd.	3.73%	2,165.80	2.64%	186.27	0%	-	2.65%	186.27
Somany Sanitaryware Pvt. Ltd.	1.83%	1,064.08	-0.45%	(31.52)	0%	-	-0.45%	(31.52)
Somany Excel Vitrified Pvt. Ltd	0.23%	133.74	-0.01%	(0.50)	0%	-	-0.01%	(0.50)
Vintage Tiles Pvt. Ltd.	2.79%	1,620.14	-3.79%	(267.19)	0%	-	-3.80%	(267.19)
Commander Vitrified Pvt. Ltd.	4.13%	2,397.18	0.76%	53.41	0%	-	0.76%	53.41
Acer Granito Pvt. Ltd.	3.79%	2,199.10	1.86%	130.98	0%	-	1.86%	130.98
Vicon Ceramic Pvt. Ltd.	0.99%	577.66	-3.68%	(259.31)	0%	-	-3.69%	(259.31)
Sudha Somany Ceramics Pvt Ltd.	1.18%	686.75	-0.10%	(6.85)	0%	-	-0.10%	(6.85)
Non Controlling Interest in All Subsidiaries	-16.52%	(9,590.60)	-12.29%	(865.72)	0%	-	-12.32%	(865.72)
Consolidated Adjustments/ Eliminations*	-3.31%	(1,922.10)	18.77%	1,322.37	0%	-	18.81%	1,322.37
	100.00%	58,068.25	100.00%	7,044.42	100.00%	(15.84)	100.00%	7,028.58

56. The figures for the previous periods have been regrouped/ rearranged, wherever considered necessary, to conform current period classifications.

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

B. K. Sipani
Partner
M. No. 088926

Place: New Delhi
Date: May 21, 2019

For and on behalf of Board of Directors

Shreekant Somany
Chairman & Managing Director
DIN : 00021423

Saikat Mukhopadhyay
Chief Financial Officer

Abhishek Somany
Managing Director
DIN : 00021448

Ambrish Julka
GM - Legal & Company Secretary

Notes

SOMANY CERAMICS LIMITED

Regd. Office: 2, Red Cross Place, Kolkata, West Bengal-700001
CIN: L40200WB1968PLC224116, website: www.somanyceramics.com
Phone: 033-22487406/5913, E-mail: ambrish.julka@somanyceramics.com

NOTICE OF THE 51st ANNUAL GENERAL MEETING

Notice is hereby given that the 51st Annual General Meeting of the Members of Somany Ceramics Limited will be held at Sripati Singhania Hall, Rotary Sadan, 94/2, Chowinghee Road, Kolkata-700 020 on Monday, the 19th August, 2019 at 11:30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt: -
the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Reports of Directors' and Auditors' thereon; and the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 together with report of Auditors thereon.
2. To declare a dividend on equity shares for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Shri Abhishek Somany (DIN:00021448), who retires by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

Appointment of Shri Vineet Agarwal (DIN: 00380300) as an Independent Director:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, read with Schedule IV of the Act, Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable law, if any, and as recommended by the Nomination and Remuneration Committee, Shri Vineet Agarwal (DIN: 00380300), who was appointed as an Additional Director (Category as Independent) by the Board of Directors of Company with effect from 1st May, 2019 and in respect of whom the Company has received a notice in writing from a Member pursuant to the provisions of Section 160 of the Act, signifying his intention to propose the candidature of Shri Vineet Agarwal for the office of Director, be and is hereby appointed as an independent Director of the Company."

"RESOLVED FURTHER THAT in compliance with provisions of Section 149 of the Act and Listing Regulations, Shri Vineet Agarwal (DIN: 00380300), who has submitted a declaration that he meets the

criteria for independence as per the Act and Listing Regulations and who is eligible for appointment, shall be treated as an Independent Director of the Company on following terms and conditions:

- Shri Vineet Agarwal shall hold office as an Independent Director for a term of five (5) consecutive years on the Board of the Company commencing from 1st May, 2019 to 30th April, 2024 and shall be eligible for re-appointment subject to provisions of the Act.
 - He shall not be liable to retire by rotation."
5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

Appointment of Smt. Rumjhumi Chatterjee (DIN: 00283824) as an Independent Director:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, read with Schedule IV of the Act, Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable law, if any, and as recommended by the Nomination and Remuneration Committee, Smt. Rumjhumi Chatterjee (DIN: 00283824), who was appointed as an Additional Director (Category as Independent) by the Board of Directors of Company with effect from 1st September, 2018 and in respect of whom the Company has received a notice in writing from a Member pursuant to the provisions of Section 160 of the Act, signifying his intention to propose the candidature of Smt. Rumjhumi Chatterjee for the office of Director, be and is hereby appointed as an Independent Director of the Company."

"RESOLVED FURTHER THAT in compliance with provisions of Section 149 of the Act and Listing Regulations, Smt. Rumjhumi Chatterjee (DIN: 00283824), who has submitted a declaration that she meets the criteria for independence as per the Act and Listing Regulations and who is eligible for appointment, shall be treated as an Independent Director of the Company on following terms and conditions:

- Smt. Rumjhumi Chatterjee shall hold office as an Independent Director for a term of five (5) consecutive years on the Board of the Company commencing from 1st September, 2018 to 31st August, 2023 and shall be eligible for re-appointment subject to provisions of the Act.
- She shall not be liable to retire by rotation."

- To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

Appointment of Shri Tuljaram Maheshwari (DIN: 00063688), as a Non-Executive Non-Independent Director:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of Companies Act, 2013 (the Act) and the Rules made thereunder, Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactments thereof, for the time being in force) and other applicable law, if any, and as recommended by the Nomination and Remuneration Committee, Shri Tuljaram Maheshwari (DIN: 00063688) who was appointed as an Additional Director by the Board of Directors of the Company with effect from 1st May, 2019 and who holds office until the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying his intention to propose Shri Tuljaram Maheshwari for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

- To consider and if thought fit, to pass the following resolution as a Special Resolution:

Re-appointment of Shri Salil Singhal (DIN: 00006629) as an Independent Director for his second term of five (5) consecutive years:

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee, Shri Salil Singhal (DIN: 00006629), who was appointed as an Independent Director of the Company at the 46th Annual General Meeting of the Company to hold office as an Independent Director up to the conclusion of 51st Annual General Meeting of the Company and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years i.e. from the conclusion of 51st Annual General Meeting upto the conclusion of 56th Annual General Meeting of the Company."

"RESOLVED FURTHER THAT in accordance with the regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the members be and is hereby accorded for Shri Salil Singhal (DIN: 00006629), who will be attaining the age of

75 years during his second tenure, to continue as an Independent Director of the Company upto the conclusion of 56th Annual General Meeting of the Company."

- To consider and, if thought fit, to pass the following resolution as a Special Resolution:

Re-appointment of Shri Ravinder Nath (DIN: 00062186) as an Independent Director for his second term of five (5) consecutive years:

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee, Shri Ravinder Nath (DIN: 00062186), who was appointed as an Independent Director of the Company at the 46th Annual General Meeting of the Company to hold office as an Independent Director up to the conclusion of 51st Annual General Meeting of the Company and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years i.e. from the conclusion of 51st Annual General Meeting upto the conclusion of 56th Annual General Meeting of the Company."

"RESOLVED FURTHER THAT in accordance with the regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the members be and is hereby accorded for Shri Ravinder Nath (DIN: 00062186), who will be attaining the age of 75 years during his second tenure, to continue as an Independent Director of the Company upto the conclusion of 56th Annual General Meeting of the Company."

- To consider and, if thought fit, to pass the following resolution as a Special Resolution:

Re-appointment of Shri Siddharath Bindra (DIN: 01680498) as an Independent Director for his second term of five (5) consecutive years:

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Obligations) (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee, Shri Siddharath Bindra

(DIN: 01680498), who was appointed as an Independent Director of the Company at the 46th Annual General Meeting for a term of five consecutive years commencing from 26th May, 2014 upto 25th May, 2019 and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years i.e. commencing from 26th May, 2019 upto 25th May, 2024."

10. To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

Alteration in Article 148 of Articles of Association of the Company:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable law, if any, approval of the members be and is hereby accorded for alteration of the existing Article 148 in the Articles of Association of the Company by substituting the same as the following new Article 148:

"148. Subject to the provisions of these Articles, Section 149 and 152 of the Act and other applicable Law, the number of Directors at all times shall be a maximum of fifteen (15)."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto."

11. To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

To approve continuation of payment of Remuneration to Shri Shreekant Somany (DIN: 00021423), Chairman and Managing Director, who is promoter, in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

"RESOLVED THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) read with Schedule-V of the Act, and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the members be and is hereby accorded to the continuation of payment of remuneration to Shri Shreekant Somany (DIN: 00021423), Chairman and Managing Director as per existing terms and conditions as approved by the shareholders at the Annual General Meeting (AGM) of the Company held on 25th August, 2017 and who is a Promoter of the Company, till the expiry of his current term on 31st May, 2023, notwithstanding:

- (i) annual remuneration to Shri Shreekant Somany exceeding Rs.5 Crore or 2.5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or
- (ii) the aggregate annual remuneration to all the executive directors exceeds 5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013 subject, however, to overall ceiling of the total managerial remuneration as provided under Section 197 of the Act.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto."

12. To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

To approve continuation of payment of Remuneration to Shri Abhishek Somany (DIN: 00021448) Managing Director, who is promoter, in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

"RESOLVED THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) read with Schedule-V of the Act, and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the members be and is hereby accorded to the continuation of payment of remuneration to Shri Abhishek Somany (DIN: 00021448) Managing Director, as per existing terms and conditions as approved by the shareholders at the Annual General Meeting (AGM) of the Company held on 25th August, 2017 and who is a Promoter of the Company, till the expiry of his current term on 31st May, 2023, notwithstanding:

- (i) annual remuneration to Shri Abhishek Somany exceeding Rs.5 Crore or 2.5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Act, whichever is higher; or
- (ii) the aggregate annual remuneration to all the executive directors exceeds 5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013 subject, however, to overall ceiling of the total managerial remuneration as provided under Section 197 of the Act.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto."

13. To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

To approve continuation of payment of Remuneration to Smt. Anjana Somany (DIN: 00133542), Whole-time Director, who is promoter,

in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

"RESOLVED THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) read with Schedule-V of the Act, and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the members be and is hereby accorded to the continuation of payment of remuneration to Smt. Anjana Somany (DIN: 00133542), Whole-time Director of the Company, as per existing terms and conditions as approved by the shareholders at the Annual General Meeting (AGM) of the Company held on 30th August, 2018 and who is a Promoter of the Company, till expiry of her current term on 20th May, 2022, notwithstanding:

- (i) annual remuneration to Smt. Anjana Somany exceeding Rs.5 Crore or 2.5 per cent of the net profits of the Company

calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or

- (ii) the aggregate annual remuneration to all the executive directors exceeds 5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Act, subject, however, to overall ceiling of the total managerial remuneration as provided under Section 197 of the Act.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto."

By Order of the Board
For Somany Ceramics Limited

(Ambrish Julka)
General Manager (Legal) &
Company Secretary

NOTES:

1. Statement in respect of Special Business pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto and forms part of this Notice.
2. A Member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on a Ballot Paper/poll, if any, instead of himself. A Proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the meeting.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days' notice in writing is given to the Company.
4. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder of the Company.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 3rd August, 2019 to 19th August, 2019 (both days inclusive).
6. Corporate members intending to send their authorized representatives to attend the meeting are requested to send the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
8. Members/Proxy holders are requested to bring their copies of Annual Report along with them at the meeting.
9. Members are requested to write to the Company, their query (ies), if any, on the Financial Statements and operations of the Company atleast 10 days before the meeting to keep the information ready at the meeting.
10. Members holding shares in physical form are requested to notify changes, if any, in their address and the Bank Account particulars to the Company's Registrar & Transfer Agent M/s. Maheshwari Datamatics Pvt. Limited, 23, R.N. Mukherjee Road, 5th floor, Kolkata, West Bengal, 700001. Telephone No. 033-22435029/22482248, Fax No. 033-22484787, E-mail: mdpldc@yahoo.com
11. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of saving bank account details to their respective Depository Participant(s). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends and other entitlements instantly.
12. Members having multiple folios in the same order of name(s) may inform the Company for consolidation into one folio.
13. No request for effecting transfer of shares in physical form is accepted with effect from 1st April, 2019, in terms of Press Release No.49/2018 dated 3rd December, 2018, except in case of transmission or transposition of shares, subject to necessary compliances.
14. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed Form SH.13 to the Registrar & Transfer Agent of the Company for nomination and Form SH.14 for cancellation/ variation as

- the case may be. Shareholders holding shares in demat form are also advised to avail nomination facility by submitting the prescribed form to their respective Depository Participants (DPs).
15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting of the Company.
 16. The Register of Contract or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting of the Company.
 17. Dividend on equity shares as recommended by the Board of Directors, if declared at the meeting will be paid within 30 days from the date of declaration, to those Members whose name appears on the Register of Members of the Company as on 3rd August, 2019 and in respect of shares held in the dematerialized form, to those beneficial owners whose particulars will be furnished by the Depositories for this purpose as on close of business hours of 2nd August, 2019.
 18. (a) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 the unpaid/unclaimed dividends upto the year 2010-2011 has been transferred to Investor Education and Protection Fund ("IEPF") and dividends for the Financial Year ended 31st March, 2012 and thereafter which remain unpaid or unclaimed for a period of 7 consecutive years will also be transferred to the IEPF constituted by the Central Government, on the respective due dates after 14th October, 2019. The Company has also uploaded full details of such shareholders, whose dividend for seven consecutive years remained unclaimed, on its website www.somanyceramics.com. Members, who have not encashed their dividend warrant(s) for the financial year ended 31st March, 2012 or any subsequent financial year(s) are urged to claim such amount from the Company immediately. Shareholders whose amount has been transferred to IEPF as above may claim refund from IEPF in accordance with the provisions under the Companies Act, 2013 and rules made thereunder.
 - (b) Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on 30th August, 2018 (the date of last Annual General Meeting) on the website of the Company www.somanyceramics.com.
 - (c) Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been encashed/claimed by the Shareholders for seven consecutive years, the Company is required to transfer such Equity Shares of the Members to the Demat Account of the IEPF. Accordingly, the Company has transferred 43,170 Equity Shares of Rs. 2/- each to IEPF whose dividend has not been encashed for consecutive 7 years from 2010-11, details of which are available on website of the Company also. Similarly, the Company will transfer such shares to the Demat Account of IEPF Authority on which dividend for 2011-12 will remain un-encashed for consecutive 7 years, as per the guidelines issued by the concerned authority/(ies) from time to time.
 19. Brief resume along with other particulars, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors, seeking appointment/re-appointment, are given under the Corporate Governance section of the Annual Report.
 20. The Company is providing facility for voting by electronic means (remote e-voting) and the business as set out in the Notice of the 51st Annual General Meeting (AGM) of the Company may be transacted through such e-voting. The facility for voting through Ballot Paper will also be made available at the AGM and the Members attending the AGM who have not cast their votes by remote e-voting shall be able to exercise their right at the AGM through Ballot Paper/poll. Members who have cast their votes by remote e-voting prior to the AGM, may also attend the AGM, but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice of the 51st AGM of the Company.
 21. Notice of the 51st Annual General Meeting and instruction for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all Members whose email addresses are registered with the Company/ Depository Participant(s) unless a Member has requested for a physical copy of the same. Members who have not registered their email addresses, physical copies of the aforesaid documents are being sent to them by permitted mode.
 22. The Financial Statements of the subsidiaries of the Company are not attached to the 51st Annual Report of the Company. However, these documents will be made available upon receipt of request from any Member of the Company and shall be available at the Registered Office of the Company as well as its Subsidiary Companies for inspection by the Members in terms of the provisions under the Companies Act, 2013.
 23. Route map of the venue of the Annual General Meeting is attached herewith.
 24. To support the "Green Initiative", Members who have not registered their e-mail addresses are requested to register the same with RTA i.e., M/s. Maheshwari Datamatics Pvt. Limited, or their respective Depositories, as the case may be.

By Order of the Board
For Somany Ceramics Limited

(Ambrish Julka)
General Manager (Legal) &
Company Secretary

Place: New Delhi
Dated: 21st May, 2019

STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

Based on the recommendation of Nomination and Remuneration Committee of the Company, Board of Directors, at their meeting held on 30th April, 2019, appointed Shri Vineet Agarwal (DIN : 00380300), aged about 46 years, as an Additional Director (category as Independent) of the Company, with effect from 1st May, 2019, pursuant to Section 161 of the Companies Act, 2013, read with the Article of Association of the Company.

Pursuant to the provisions of Sections 149, 152 and 161 of the Companies Act, 2013, Shri Vineet Agarwal will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Shri Vineet Agarwal for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Shri Vineet Agarwal has consented in writing to act as a Director of the Company and has confirmed that he is not disqualified from being appointed as director of the Company and have submitted a declaration to the effect that he meets the criteria of Independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and the Listing Regulations in this regard.

The Board is of opinion that he is independent of the Management and possesses appropriate skills, experience and knowledge, accordingly his appointment as such is duly justified and would be in the best interest of the Company. A copy of the letter for the appointment of Shri Vineet Agarwal as an Independent Director setting out the terms and conditions is available for inspection without any fee by the Members at the Company's registered office during normal business hours on working days up to date of the ensuing Annual General Meeting.

The resolution seeks the approval of Members for the appointment of Shri Vineet Agarwal as an Independent Director of the Company from 1st May, 2019 to 30th April, 2024, pursuant to the provisions of Section 149 & 150 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

None of the Directors or Key managerial Personnel except Shri Vineet Agarwal, may be deemed to be interested and/or concerned in the resolution.

The Board therefore recommends the resolution set forth under Item no. 4 of the accompanying notice for the approval of the Members as an Ordinary Resolution.

Disclosure relating to Directors pursuant to Regulation 26(4) of Listing Regulations and Secretarial Standards on General Meetings are given under Annexure A to the Notice.

Item No. 5

Based on the recommendation of Nomination and Remuneration Committee of the Company, Board of Directors, at their meeting held on 7th August, 2018, appointed Smt. Rumjhumi Chatterjee (DIN: 00283824),

aged about 60 years, as an Additional Director (category as Independent) of the Company, with effect from 1st September, 2018 pursuant to Section 161 of the Companies Act, 2013, read with the Article of Association of the Company.

Pursuant to the provisions of Sections 149, 152 and 161 of the Companies Act, 2013, Smt. Rumjhumi Chatterjee will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Smt. Rumjhumi Chatterjee for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Smt. Rumjhumi Chatterjee has consented in writing to act as a Director of the Company and has confirmed that she is not disqualified from being appointed as director of the Company and have submitted a declaration to the effect that she meets the criteria of Independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Listing Regulations in this regard.

The Board is of opinion that she is independent of the Management and possesses appropriate skills, experience and knowledge, accordingly her appointment as such is duly justified and would be in the best interest of the Company. A copy of the letter for the appointment of Smt. Rumjhumi Chatterjee as an Independent Director setting out the terms and conditions is available for inspection without any fee by the Members at the Company's registered office during normal business hours on working days up to date of the ensuing Annual General Meeting.

The resolution seeks the approval of Members for the appointment of Smt. Rumjhumi Chatterjee as an Independent Director of the Company for a term of five (5) consecutive years i.e. from 1st September, 2018 to 31st August, 2023, pursuant to the provisions of Section 149 & 150 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. She is not liable to retire by rotation.

None of the Directors or Key managerial Personnel except Smt. Rumjhumi Chatterjee, may be deemed to be interested and/or concerned in the resolution.

The Board therefore recommends the resolution set forth under Item no. 5 of the accompanying notice for the approval of the Members as an Ordinary Resolution.

Disclosure relating to Directors pursuant to Regulation 26(4) of Listing Regulations and Secretarial Standards on General Meetings are given under Annexure A to the Notice.

Item No. 6

The Board pursuant to Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company and upon recommendation of the Nomination and Remuneration Committee, in terms of Section 178 of the Companies Act, 2013, at its meeting held on 30th April, 2019, appointed Shri Tuljaram Maheshwari (DIN: 00063688), aged about 60 years, as an

Additional Director (Non-Executive Non Independent) of the Company with effect from 1st May, 2019, to hold office upto the date of the ensuing Annual General Meeting of the Company.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member, proposing candidature of Shri Tuljaram Maheshwari for the office of Non- Executive Non-Independent Director, to be appointed as such under the provisions of Sections 149 and 152 of the Companies Act, 2013.

Shri Tuljaram Maheshwari has consented in writing to act as a Director of the Company and has confirmed that he is not disqualified from being appointed as a director of the Company.

Shri Tuljaram Maheshwari joined the Company on 25th January, 2016 as Chief Financial Officer of the Company and was re-designated as Chief Executive Officer & Chief Financial Officer of the Company with effect from 17th August, 2017. Shri Tuljaram Maheshwari ceased to be the Chief Financial Officer (KMP) and appointed as Chief Executive Officer of the Company with effect from 30th January, 2018. He resigned as Chief Executive Officer (KMP) of the Company with effect from 16th April, 2019.

The resolution seeks the approval of Members for the appointment of Shri Tuljaram Maheshwari, Non-Executive Non-Independent Director of the Company pursuant to the provisions of Section 161 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder subject however liable to retire by rotation in terms of the said Act.

In the opinion of the Board of Directors, Shri Tuljaram Maheshwari, Non-Executive Non-Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder.

None of the Directors or Key managerial Personnel, except Shri Tuljaram Maheshwari, may be deemed to be interested and/or concerned in the resolution.

The Board recommends the resolution set forth under item no. 6 of the accompanying notice for the approval of the Members.

Disclosure relating to Directors pursuant to Regulation 26(4) of Listing Regulations and Secretarial Standards on General Meetings are given under Annexure A to the Notice.

Item Nos. 7 & 8

Shri Salil Singhal and Shri Ravinder Nath were appointed as Independent Directors on the Board of your Company pursuant to the provisions of section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, by the Shareholders at the 46th Annual General Meeting ("AGM") of the Company held on 4th September, 2014. They shall hold office as Independent Directors of the Company up to the conclusion of 51st Annual General Meeting of the Company which is scheduled to be held on 19th August, 2019 ("first term" in accordance with the explanation to section 149(10) and 149(11) of the Act).

Brief details of Shri. Salil Singhal and Shri Ravinder Nath are mentioned below:

- Shri Salil Singhal:**

Shri Salil Singhal has completed 73 years of age. He is Chairman Emeritus on Board of PI Industries Limited. He is Co-Chairman of CII's National Council on Agriculture besides being a member of its National Council for past 8 years. He was the Chairman of the Pesticides Association of India (rechristened Crop Care Federation of India) for 20 years and is its Chairman Emeritus. In the past, he has been a member of the Executive Committee of FICCI and also the Chairman of its Environment Committee for 5 years, the Chairman of the Northern Region of CII and the Chairman of the National Council for MSMEs.

- Shri Ravindra Nath:**

Shri Ravindra Nath is aged about 74 years . He is B.Com (Hons.) and law graduate from Delhi University; International and Comparative Laws at King's College, London and PIL at Harvard. He has rich and specialised experience of about 44 years in corporate and commercial laws.

The Nomination and Remuneration Committee at its meeting held on 21st May, 2019 on the basis of performance evaluation of Independent Directors and taking into account the external business environment, the business knowledge, acumen, experience and the substantial contribution made by Shri Salil Singhal and Shri Ravinder Nath during their tenure, has recommended to the Board that continued association of Shri Salil Singhal and Shri Ravinder Nath as Independent Directors of the Company would be beneficial to the Company. Based on the above and the performance evaluation of Independent Directors, the Board recommends the re-appointment of Shri Salil Singhal and Shri Ravinder Nath, as Independent Directors of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years on the Board of the Company commencing from the conclusion of 51st Annual General Meeting upto the conclusion of the 56th Annual General Meeting of the Company.

Copies of the draft letters of appointment of Shri Salil Singhal and Shri Ravinder Nath setting out terms and conditions of appointment is available for inspection by the Members at the Registered office of the Company between 3:00 p.m. to 5:00 p.m., on all working days (except Saturdays, Sundays and Public Holidays), up to the date of the ensuing Annual General Meeting (AGM).

Shri Salil Singhal and Shri Ravinder Nath are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors. The Company has received declarations from Shri Salil Singhal and Shri Ravinder Nath stating that they meet the criteria of independence as prescribed under Sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Shri Salil Singhal and Shri Ravinder Nath, fulfil the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Regulations.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) with effect from 1st April, 2019, no listed Company shall appoint or continue the directorship

of a non-executive director who has attained the age of 75 years, unless a Special Resolution is passed to that effect and satisfaction thereof is indicated in the statement annexed to the notice for such appointment. Since Shri Salil Singhal and Shri Ravinder Nath would be attaining their age of 75 years during the tenure of their second term of appointment and considering their experience as explained therein above the Special Resolutions are proposed to be passed under item No.7 and 8 of the accompanying notice of the AGM of the Company.

The Company has received notices in writing from Members under Section 160 of the Act, proposing the candidature of Shri Salil Singhal and Shri Ravinder Nath, for the office of Director of the Company.

Save and except Shri Salil Singhal and Shri Ravinder Nath and their relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item Nos. 7 and 8 of the accompanying Notice.

The Board recommends the Special Resolutions set out at Item Nos. 7 and 8 of the accompanying Notice for approval of the Members.

Disclosure relating to Directors pursuant to Regulation 26(4) of Listing Regulations and Secretarial Standards on General Meetings are given under Annexure A to the Notice.

Item No. 9

Shri Siddharath Bindra (DIN: 01680498) was appointed as Independent Director on the Board of your Company pursuant to the provisions of Section 149 of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, by the Shareholders at the 46th Annual General Meeting ("AGM") of the Company held on 4th September, 2014 for a term of five consecutive years commencing from 26th May, 2014 upto 25th May, 2019 ("first term" in line with the explanation to section 149(10) and 149(11) of the Act).

Brief details of Shri Siddharath Bindra are mentioned below:

Shri Siddharath Bindra has completed 44 years of age. Shri Siddharath Bindra holds degree in Master's in Commerce. He is Managing Director in the BIBA Apparels Private Limited. He is having rich experience of about 20 years in the apparel and retail trade.

The Nomination and Remuneration Committee at its Meeting held on 21st May, 2019 on the basis of performance evaluation of Independent Directors and taking into account the external business environment, the business knowledge, acumen, experience and the substantial contribution made by Shri Siddharath Bindra during his tenure, has recommended to the Board that continued association of Shri Siddharath Bindra as Independent Director of the Company would be beneficial to the Company. Based on the above and the performance evaluation of Independent Director, the Board recommends the re-appointment of Shri Siddharath Bindra, as Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years on the Board of the Company from 26th May, 2019 to 25th May, 2024.

Copy of the draft letter of appointment of Shri Siddharath Bindra setting out terms and conditions of appointment is available for inspection by the members at the Registered office of the Company between 3:00 p.m. to 5:00 p.m., on all working days (except Saturdays, Sundays and Public Holidays), up to the date of the ensuing Annual General Meeting.

Shri Siddharath Bindra is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and have given his consent to act as Director. The Company has received declaration from Shri Siddharath Bindra stating that he meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Shri Siddharath Bindra, fulfil the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the Listing Regulations.

The Company has received notice in writing from a member under Section 160 of the Act, proposing the candidature of Shri Siddharath Bindra, for the office of Director of the Company.

Save and except Shri Siddharath Bindra and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 9 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No. 9 of the accompanying Notice for approval of the Members.

Disclosure relating to Directors pursuant to Regulation 26(4) of Listing Regulations and Secretarial Standards on General Meetings are given under Annexure A to the Notice.

Item No. 10

As per the existing Articles of Association of the Company, number of directors at all times shall be a maximum of eleven (11). Keeping in mind the future growth and requirement of more members on the board of the Company for the business growth prospective, Board of Directors in their meeting held on 21st May, 2019 discussed to increase the maximum number of directors as mentioned in the Articles of Association of the Company from eleven (11) to fifteen (15).

Accordingly, it is proposed to alter the Articles of Association of the Company by substituting the existing Article 148 with New Article in the Articles of Association of the Company in the manner as set out in the Special Resolution at Item No. 10 of the accompanying Notice.

Copy of the Articles of Association of the Company incorporating the proposed New Article 148 is available for inspection by members at the registered office of the Company.

Approval of the members is sought for the alteration of Articles of Association of the Company by passing a Special Resolution as set out at Item No. 10 of the accompanying Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No. 10 of the accompanying Notice for approval by the members.

Item No. 11

In terms of Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- (i) the annual remuneration payable to such executive director exceeds Rs. 5 Crore or 2.5 per cent of the net profits of the listed entity calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

The shareholders approved remuneration payable to Shri Shreekant Somany, Chairman and Managing Director as well as a promoter of the Company, within the limits as prescribed under the Companies Act, 2013, at Annual General Meeting held on 25th August, 2017, which is in excess of 2.5% of the net profits of the Company, individually and exceeds 5% of the net profits of the Company in aggregate. This necessitates seeking fresh approval of the shareholders by way of special resolution for retaining all existing terms and conditions of appointment of aforesaid Executive Director including remuneration payable to him till the expiry of his current term on 31st August, 2020, in order to comply with the above mentioned Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Therefore, resolution under Item No. 11 of the accompanying notice, is recommended by Board of Directors for members' approval as a special resolution.

None of the directors except Shri Shreekant Somany, Shri Abhishek Somany and Smt. Anjana Somany and their relatives as members of the Company are interested in passing the aforesaid resolution.

Item No. 12

In terms of Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- (i) the annual remuneration payable to such executive director exceeds Rs. 5 Crore or 2.5 per cent of the net profits of the listed entity calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

The shareholders approved remuneration payable to Shri Abhishek Somany, Managing Director as well as a promoter of the Company within the limits as prescribed under Companies Act, 2013, at Annual General Meeting held on 25th August, 2017, which is in excess of 2.5% of the net profits of the Company, individually and exceeds 5% of the net profits of the Company in aggregate. This necessitates seeking fresh approval of the shareholders by way of special resolution for retaining all existing terms and conditions of appointment of aforesaid Executive Director including remuneration payable to him till the expiry of his current term on 31st May, 2023, in order to comply with the above mentioned Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Therefore, resolution under Item No. 12 of the accompanying notice, is recommended by Board of Directors for members' approval as a **special resolution**.

None of the directors except Shri Abhishek Somany, Shri Shreekant Somany and Smt. Anjana Somany and their relatives as members of the Company are interested in passing the aforesaid resolution.

Item No. 13

In terms of Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- (i) the annual remuneration payable to such executive director exceeds Rs. 5 Crore or 2.5 per cent of the net profits of the listed entity calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

The shareholders approved remuneration payable to Smt. Anjana Somany, Whole-time Director as well as a promoter of the Company, within the limits as prescribed under the Companies Act, 2013, at Annual General Meeting held on 30th August, 2018, which exceeds 5% of the net profits of the Company in aggregate. This necessitates seeking fresh approval of the shareholders by way of special resolution for retaining all existing terms and conditions of appointment of aforesaid Executive Director including remuneration payable to her till the expiry of her current term on 20th May, 2022, in order to comply with the above mentioned Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Therefore, resolution under Item No. 13 of the accompanying notice, is recommended by Board of Directors for members' approval as a **special resolution**.

None of the directors except Smt. Anjana Somany, Shri Shreekant Somany and Shri Abhishek Somany and their relatives as members of the Company are interested in passing the aforesaid resolution.

Annexure-A

Disclosure relating to Directors pursuant to Regulation 26(4) of Listing Regulations and Secretarial Standards on General Meetings;

Name of the Director	Shri Salil Singhal	Shri Vineet Agarwal	Smt. Rumjhumi Chatterjee	Shri Ravinder Nath	Shri Tuljaram Maheshwari	Shri Siddharath Bindra
Age	73 years	46 years	59 years	74 years	60 years	45 years
Qualification	B.A.	Graduate from Carnegie Mellon University and Harvard Business School.	Graduate in Psychology.	B.Com (Hons.), L.L.B, Int & Comp. Laws Certificate at Kings College, London, PIL (Harvard)	Chartered Accountant.	M.Com.
Experience	51 years	23 years	35 years	44 years	37 years	18 years
Terms and Conditions	As per Explanatory Statement					
Remuneration sought to be paid	*1% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013.					
Remuneration last drawn (for FY 2018-19)	Commission Rs. 5.00 Lakh	NA	Commission Rs. 2,90,411/-	Commission Rs. 5.00 Lakh	NA	Commission Rs. 5.00 Lakh
Date of first appointment on the Board	27/07/2002	1/05/2019	1/09/2018	26/09/2003	1/05/2019	26/05/2014
Shareholding in the Company	-	-	-	-	-	27,000 Shares
Relationship with other Director, Manager and other KMP	None	None	None	None	None	None
Number of Board Meetings attended during the year	3	NA	1	3	NA	3
Other Directorship Details	<ul style="list-style-type: none"> • Secure Meters Limited • Wolkem India Limited • PILL Finance & Investments Limited • Usha Martin Limited • Mahindra World City (Jaipur) Limited • Lake Palace Hotels & Motels Pvt. Limited • Historic Resort Hotels Pvt. Limited 	<ul style="list-style-type: none"> • Transport Corporation of India Limited • TCI Developers Limited • TCI Express Limited • TCI-Concor Multimodal Solutions Private Limited • Transystem Logistics International Private Limited • Loglabs Ventures Private Limited • Goxima Farms Private Limited • TCI Institute of Logistics 	<ul style="list-style-type: none"> • Feedback Energy Distribution Company Limited • Blue Star Limited • Mission Holdings Private Limited • Feedback Highways OMT Private Limited 	<ul style="list-style-type: none"> • Voith Paper Fabrics India Limited • Kanoria Chemicals & Industries limited • Hero MotoCorp Limited • Kadimi Construction Private Limited • Knowcross Solutions Private Limited • Geeztek Solutions Private Limited • LEGO India Private Limited • Jay Dee Ess Leasing Company Private Limited 	-	<ul style="list-style-type: none"> • BIBA Apparels Private Limited • Meena Agritech Private Limited • Dhanvan Impex Private Limited • Kaveri Tradex Private Limited • Khattar Estates Private Limited • Mizizi Agri Ventures Private Limited
Membership/ Chairmanship of Committees of other Boards	Usha Martin Limited – Audit Committee – Member	Transport Corporation of India Limited- Stakeholder's Relationship Committee- Member TCI Developers Limited- Audit Committee- Member, Nomination & Remuneration Committee- Member and Stakeholder's Relationship Committee- Member TCI Express Limited- Audit Committee- Member and Stakeholder's Relationship Committee-Member	Feedback Energy Distribution Company Limited- Corporate Social Responsibility Committee- Chairperson	Voith Paper Fabrics India Limited – Stakeholders Relationship Committee – Chairman Audit Committee – Member Kanoria Chemicals & Industries Limited – Nomination and Remuneration Committee – Member Hero MotoCorp Limited - Nomination and Remuneration Committee – Member Stakeholders Relationship Committee – Member Risk Management Committee- Member	-	-

*Aggregating 1% of the net profit of the Company for all the non-executive directors.

SOMANY CERAMICS LIMITED

Regd. Office: 2, Red Cross Place, Kolkata, West Bengal-700001
CIN: L40200WB1968PLC224116, website: www.somanyceramics.com
Phone: 033-22487406/5913, E-mail: ambrish.julka@somanyceramics.com

The instructions for Shareholders voting electronically are as under

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members, facility to exercise their votes electronically through remote e-voting facility provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility and a Member may avail of the facility at his/her/its discretion, subject to compliance with the instructions prescribed below:

Procedure/ Instructions for remote e-voting are as under:

The remote e-voting period begins on Friday, 16th August, 2019 from 9:00 a.m. (IST) and ends on Sunday, 18th August, 2019 at 5:00 p.m. (IST). During this period Shareholders of the Company holding shares either in physical form or dematerialized form as on the cut-off date i.e. 12th August, 2019, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

- (a) Shareholders should log on to the e-voting website www.evotingindia.com
- (b) Click on "Shareholders" tab.
- (c) Now, select the "Somany Ceramics Limited" from the drop down menu and click on "SUBMIT".
- (d) Now Enter your User ID:
 - (i) For CDSL: 16 digits beneficiary ID;
 - (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - (iii) For shares held in Physical Form: Members should enter Folio Number registered with the Company.
- (e) Next enter the Image Verification as displayed and Click on Login.
- (f) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (g) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. The sequence number is printed on a separate letter addressed to the Shareholder individually containing particulars of e-voting sent with the Annual Report.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field.

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new

password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (k) Click on the EVSN for the relevant "Somany Ceramics Limited" on which you choose to vote.
 - (l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (q) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (r) Note for Non-individual and Custodian Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
 - (s) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com.
 - (t) The voting rights of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date, 12th August, 2019.
 - (u) Any person who becomes a Member of the Company after dispatch of the Notice of the 51st AGM of the Company and holding shares as on the cut-off date i.e. 12th August, 2019, may contact RTA to obtain the User ID and password to vote on the Resolutions set out in the said Notice through remote e-voting procedure.
- General:**
- (a) In case, Members cast their vote exercising both the options i.e. voting through electronic means (remote e-voting) and by means of Ballot Paper at the AGM, then votes casted through remote e-voting shall only be taken into consideration and treated valid whereas votes casted by means of Ballot Paper at the Meeting, shall be treated as invalid.
 - (b) In case of joint shareholders attending the AGM, only such joint holder who is higher in the order of the names will be entitled to vote.
 - (c) The Board of Directors of the Company at their meeting held on 21st May, 2019, had appointed Mr. Pradeep Pincha, Partner of M/s Pinchaa & Company, Company Secretaries, Jaipur, having Membership No.: FCS 5369 and Certificate of Practice No. 4426, as the Scrutinizer to scrutinize the remote e-voting process and voting through ballot papers at the AGM in a fair and transparent manner.
 - (d) The Scrutinizer, after conclusion of the voting at the AGM through Ballot Papers, first count the votes cast at the AGM and thereafter unblock the votes casted through remote e-voting in the presence of at least two witnesses not in employment of the Company and shall not later than forty-eight hours of the conclusion of the AGM, make a Consolidated Scrutinizer's Report of the total votes cast in favor or against, if any and submit the same to the Chairman of the Company or a person so authorised by him in writing, who shall countersign the same and declare the results of voting forthwith.
 - (e) The results declared along with the Consolidated Scrutinizer's Report shall be placed on the website of the Company i.e. www.somanyceramics.com and on the website of CDSL i.e. <https://www.evotingindia.com>. The results shall simultaneously be communicated to BSE limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.
 - (f) Subject to the receipt of requisite number of votes, the Resolutions set out in the Notice of the 51st AGM of the Company, shall deemed to be passed on the date of the AGM i.e. 19th August, 2019.
 - (g) A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

SOMANY CERAMICS LIMITED
Regd. Office: 2, Red Cross Place, Kolkata, West Bengal-700001
CIN: L40200WB1968PLC224116, website: www.somanyceramics.com
Phone: 033-22487406/5913, E-mail: ambrish.julka@somanyceramics.com

ATTENDANCE SLIP

The Folio No. and Name (s) of the Member(s) are to be furnished below in Block Letters

Folio No. No. of Shares held.....

Client ID DP ID

Full Name(s) of the Member/ Joint Members

1. 2.
3. 4.

Full Name of the Proxy if attending the meeting

.....

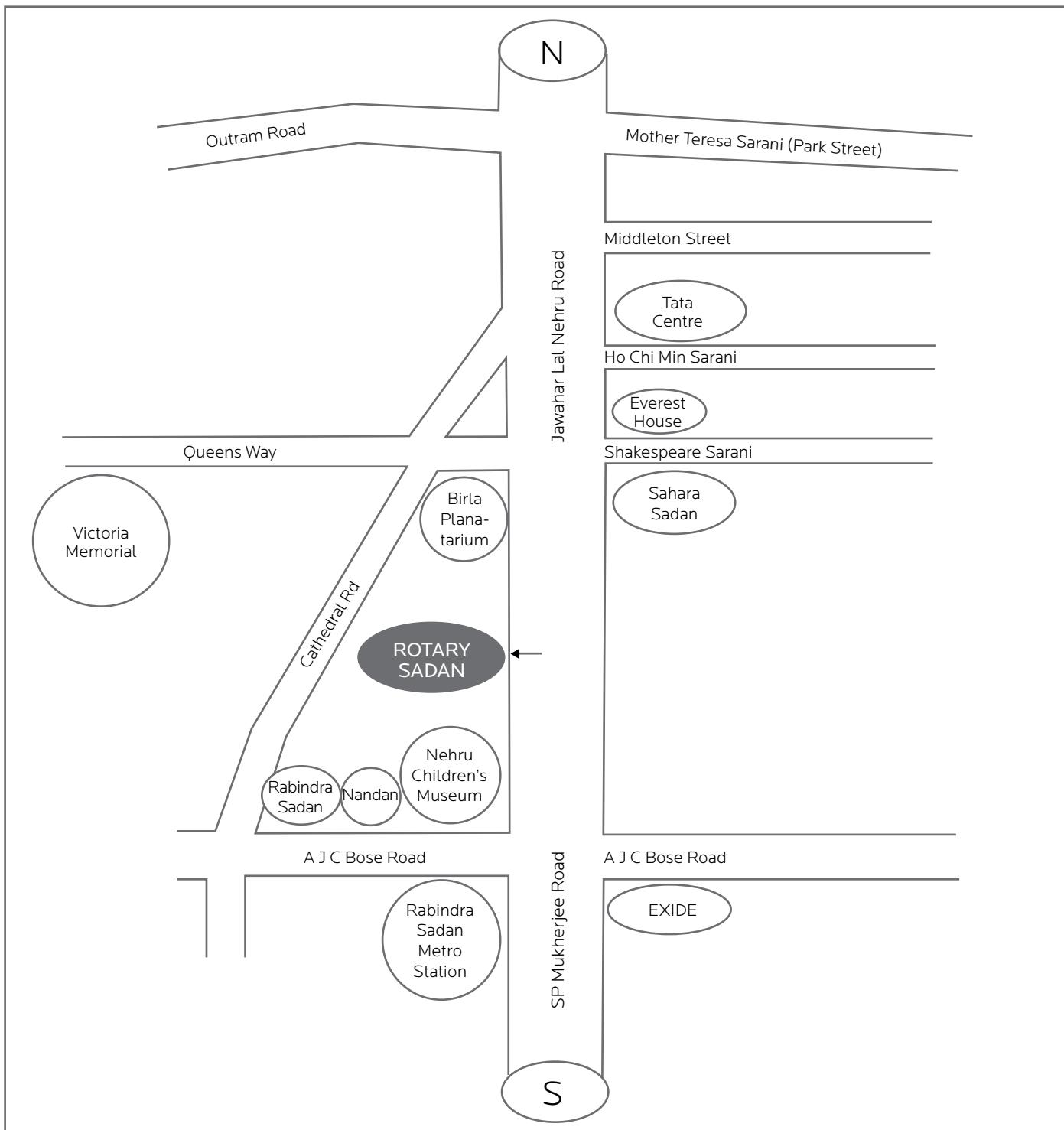
I hereby record my presence at the fifty-first Annual General Meeting of the Company being held on Monday, the 19th August, 2019, at Sripati Singhania Hall, Rotary Sadan, 94/2, Chowinghee Road, Kolkata – 700 020 at 11:30 a.m., and at any adjournment thereof.

.....
Signature of the Member / Joint Members / Proxy attending the meeting

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

Route Map to the AGM Venue

Venue: Sripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700020



SOMANY CERAMICS LIMITED

Regd. Office: 2, Red Cross Place, Kolkata, West Bengal-700001
CIN: L40200WB1968PLC224116, website: www.somanyceramics.com
Phone: 033-22487406/5913, E-mail: ambrish.julka@somanyceramics.com

PROXY FORM - MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):														
Registered address:														
E-mail Id:														
Folio No/Client Id:														
DP Id:														

I/We, being the member(s) of Shares of the Somany Ceramics Limited, hereby appoint

1. Name:
Address:.....
E-mail: Signature:....., or failing him/her
2. Name:
Address:.....
E-mail: Signature:....., or failing him/her
3. Name:
Address:.....
E-mail: Signature:.....

as my/ our proxy to attend and vote (on a ballot) for me/us and on my/our behalf at the 51st Annual General Meeting of the Company, to be held on Monday, the 19th August, 2019 at 11:30 a.m. at Sripati Singhania Hall of Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700 020 and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number as per notice of 51 st AGM	Resolutions	Vote (Optional see Note 3)		
		For	Against	Abstain
Ordinary Business				
1	As an Ordinary Resolution To receive, consider and adopt :- The Audited Financial Statements of the Company for the financial year ended 31 st March, 2019 together with the Reports of Directors' and Auditors' thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended 31 st March, 2019 together with report of Auditors thereon.			
2	As an Ordinary Resolution To declare a dividend on equity shares for the financial year ended 31 st March, 2019			
3	As an Ordinary Resolution To appoint a Director in place of Shri Abhishek Somany (DIN-00021448), who retires by rotation and being eligible, has offered himself for re-appointment.			

Resolution number as per notice of 51 st AGM	Resolutions	Vote (Optional see Note 3)		
		For	Against	Abstain
Special Business				
4	As an Ordinary Resolution: Appointment of Shri Vineet Agarwal (DIN: 00380300) as an Independent Director.			
5	As an Ordinary Resolution: Appointment of Smt. Rumjhumi Chatterjee (DIN: 00283824) as an Independent Director.			
6	As an Ordinary Resolution: Appointment of Shri Tuljaram Maheshwari (DIN: 00063688) as a Non-Executive Non-Independent Director.			
7	As a Special Resolution: Re-appointment of Shri Salil Singhal (DIN: 00006629) as an Independent Director for his second term of Five (5) consecutive years.			
8	As a Special Resolution: Re-appointment of Shri Ravinder Nath (DIN: 00062186) as an Independent Director for his second term of Five (5) consecutive years.			
9	As a Special Resolution: Re-appointment of Shri Siddharath Bindra (DIN: 01680498) as an Independent Director for his second term of Five (5) consecutive years.			
10	As a Special Resolution: Alteration in Article 148 of Articles of Association of the Company.			
11	As a Special Resolution: To approve continuation of payment of Remuneration to Shri Shreekant Somany (DIN: 00021423), Chairman and Managing Director, who is promoter, in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.			
12	As a Special Resolution: To approve continuation of payment of Remuneration to Shri Abhishek Somany (DIN: 00021448), Managing Director, who is promoter, in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.			
13	As a Special Resolution To approve continuation of payment of Remuneration to Smt. Anjana Somany (DIN: 00133542) Whole-time Director, who is promoter, in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.			

Signed this..... day of2019

Affix
Revenue
stamp of
Re. 1

.....
Signature of Proxy Holder(s)

.....
Signature of Shareholder

Note:

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting of the Company.
2. A proxy need not be a member of the Company.
3. It is optional to put a '✓' in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' or 'Abstain' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
4. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder of the Company.
5. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
6. For the Resolutions, Statements and Notes, please refer Notice of the 51st Annual General Meeting of the Company.

Corporate Information

BOARD OF DIRECTORS

Mr. Shreekant Somany
Mr. Abhishek Somany
Mrs. Anjana Somany
Mr. Salil Singhal
Mr. Ravinder Nath
Mr. Siddharath Bindra
Mr. G.G. Trivedi
Mr. Rameshwar Singh Thakur
Mrs. Rumjhumi Chatterjee
(Appointed as an Additional Director w.e.f. 1st September, 2018)
Mr. Vineet Agarwal
(Appointed as an Additional Director w.e.f. 1st May, 2019)
Mr. Tuljaram Maheshwari
(Appointed as an Additional Director w.e.f. 1st May, 2019)

CHIEF FINANCIAL OFFICER

Mr. Saikat Mukhopadhyay

GM (LEGAL) & COMPANY SECRETARY

Mr. Ambrish Julka

BANKERS

Punjab National Bank
Kotak Mahindra Bank
HDFC Bank
ICICI Bank

AUDITORS

Singhi & Co.
Chartered Accountants

REGISTERED OFFICE

2, Red Cross Place,
Kolkata- 700001

CORPORATE OFFICE

F-36, Sector 6, Noida (U.P)- 201301
Phone: 0120-4627900
CIN: L40200WB1968PLC224116

WEBSITE

www.somanyceramics.com

PLANTS

Haryana
Kassar Works
P.O- Kassar-124507, Bahadurgarh
Distt. Jhajjar, Haryana

Gujarat

Kadi Works
14, G.I.D.C, Industrial Estate,
Kadi - 382715
Distt. Mehsana, Gujarat

SUBSIDIARY COMPANIES

SR Continental Ltd.
Somany Bathware Ltd.
Amora Tiles Pvt. Ltd.
Somany Sanitary Ware Pvt. Ltd.
Somany Fine Vitrified Pvt. Ltd.
Somany Excel Vitrified Pvt. Ltd.
Sudha Somany Ceramics Pvt. Ltd.
Amora Ceramics Pvt. Ltd.
Somany Bath Fittings Pvt. Ltd.

ASSOCIATE COMPANIES

Vintage Tiles Pvt. Ltd.
Acer Granito Pvt. Ltd.
Vicon Ceramic Pvt. Ltd.



Corporate Office

F-36, Sector 6, Noida (U.P.) - 201301

Phone: 0120-4627900

www.somanyceramics.com